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Reportage on CIS States Signing Ruble Zone Agreement

Russia, Armenia Sign 'Zero Option' Accord

LD0709101693 Moscow Mayak Radio Network in Russian 0830 GMT 7 Sep 93

[Excerpts] An agreement on the establishment of a new type of ruble zone was signed at Staraya Ploshchad in Moscow a few minutes ago. Our observer Valeriy Kiosa is at the Russian Government building. He will give us the details over the telephone.

[Kiosa] Good day. The event which has just taken place here at Staraya Ploshchad can safely claim to be the main event of the day. Prime ministers, heads of central banks and authorized representatives of six CIS states—Armenia, Belarus, Kazakhstan, Russia, Uzbekistan and Tajikistan—signed the agreement on the establishment of a new type of ruble zone. [passage omitted]

The signing of this important agreement is not the only event which has happened here at Staraya Ploshchad today. Viktor Chernomyrdin and the Armenian premier, Grant Bagratyan, signed an agreement on the so-called zero option as regards the USSR's debt. In other words, Armenia will renounce its share of the Soviet Union's assets. In return Russia will assume all responsibilities for the Armenian part of the USSR's external debt. A similar agreement was signed yesterday with Kazakhstan.

Those are the events which have happened here today, at the Russian Government building on Staraya Ploshchad.

Chernomyrdin, Kazakh Representative Comment

LD0709141193 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 7 Sep 93

[From the "Novosti" newscast]

[Text] Today the first and possibly the most important step was taken in setting up an economic alliance within the framework of the Commonwealth. In Moscow six countries of the CIS signed an agreement on the creation of a single ruble zone.

The agreement that was reached will make it possible to create conditions for preserving the traditional economic and financial links between enterprises and residents of the friendly states. The degree to which the situation has developed is shown by the fact that whereas yesterday the governments of four countries were ready to sign an agreement on practical measures for setting up the new type of ruble zone, by today they were joined by another two republics. Plenipotentiary representatives of the governments and national banks of Armenia, Belarus, Kazakhstan, Russia, Tajikistan, and Uzbekistan put their signatures to the document.

[Begin recording] [Russian Prime Minister V.S.Chernomyrdin] In point of fact, I think that this is, as they say, a new page, a clean sheet: in point of fact this is a single ruble zone by which the activity of many economic departments is coordinated - including, first, the bank system, second, the credit relationships, then questions of emission, questions of inflation, questions of customs and quotas, particularly customs duties.

This is part, as has been shown once again, of the creative role of our president. He has put a lot into this matter and it was his idea - an idea supported by President Nazarbayev and also by other presidents - and however difficult we found this issue, however difficult it was to work it out, today's result, this great result, is precisely the result of that creative work.

[S.A. Tereshchenko, head of the Kazakhstan representation] I think that the statement which, the agreement which, has been signed for setting up a new ruble zone at the same time opens up further our bilateral relations. [end recording]

Viktor Chernomyrdin told journalists that other republics of the former union are ready to join the agreement in the near future.

Shokhin Gives News Conference

LD0709220493 Moscow Radio Rossii Network in Russian 1800 GMT 7 Sep 93

[Text] On Tuesday, representatives of the governments and national banks of Russia, Belarus, Armenia, Kazakhstan, Uzbekistan, and Tajikistan signed an agreement on practical measures for creating a new type of ruble zone. Deputy Prime Minister Aleksandr Shokhin said this at a news conference. Regina Lukashina reports:

[Lukashina] A sexpartite agreement, Shokhin said, will allow economic relations among the CIS countries to be intensified. Further on, he explained:

[Begin Shokhin recording] In fact, this agreement is a framework agreement. It should be followed up with bilateral and more specific agreements with every one of these countries. As a result, in the shortest time possible—with some countries as early as this week—we should arrive at specifying a mechanism for the functioning of the ruble zone. [end recording]

The deputy prime minister said further that the agreement envisages strict coordination in the areas of monetary, credit interest, and customs policy. After it is established, access to the use of the Russian ruble as the only possible means of payment will be open. During a transitional period—which involves relevant changes in the legislation of the member countries—an intermediate monetary unit, a marked ruble [markirovannyy rubl], will be used.

In addition, Shokhin said, a treaty on an economic alliance will be signed in the very near future.

[Begin Shokhin recording] We are proceeding from the fact that a more advanced agreement is the next step on the path of implementing the framework agreement on setting up an economic alliance, which has not been signed yet. In fact, this is the second stage in setting up the economic alliance, which envisages more strict coordination of the economic policy of the states that are signing this agreement. [end recording]

The states will have to delegate the right to determine some elements of the economic policy to supra-national bodies. Incidentally, votes will be distributed in these bodies in accordance with the economic share of the states. Russia will have 70 percent, Ukraine will have 20 percent, and Belarus will have 10 percent. The signing of the treaty on the economic alliance and an agreement on deepening economic integration is planned for 24 September.

Chernomyrdin Remarks on CIS Economic Union

PM0809095593 Moscow ROSSIYSKIYE VESTI in Russian 8 Sep 93 p 1

[Pavel Shinkarenko report: "Viktor Chernomyrdin: 'The Ruble Zone Is a Great Step Forward'"]

[Text] As he invited his colleagues to the table on which there already lay a folder containing the text of an agreement ready for signing, Viktor Stepanovich joked: "I wanted to sign it with someone but it has turned out to be almost everyone." You will understand the point of these words if you recall that back in July people spoke about the the ruble zone within the CIS framework purely in the conditional. When the Central Bank of Russia announced the exchange of 1961-1992 issue banknotes only Kazakhstan and Uzbekistan spoke in support—they unambiguously favored participation with Russia in a single money-credit "link."

As it has turned out, the Russian Federation ruble, which has replaced the USSR State Bank's notes, has proved a real engine of integration. At the beginning of September Armenia announced its recognition of this currency as a legitimate means of payment on its territory and was followed by Belarus and Tajikistan. Then the agreement on practical measures to create a new type of ruble zone was sealed by the signatures of the heads of governments and chairmen of the national banks.

"I rate this document very highly," the Russian prime minister stated. "Essentially we have laid the foundations of the Economic Union that we have been talking about since January this year. This opens a new chapter in the history of our countries' relations. This is because the ruble zone is not just a single ruble area. It makes possible coordination of the activity of many economic departments, including in the banking system and credit relations on questions of money supply, customs duties, quotas, and the fight against inflation. Many obstacles to the movement of goods and services and the deepening of integration processes are thus removed. This benefits not only Russia but the other parties to the agreement as well."

Viktor Chernomyrdin stresses that behind the two-three pages of the document lies intensive work by a great many specialists. But a special role belongs to the Russian president. The creation of the Economic Union and in particular of the single ruble zone of a new type was Boris Yeltsin's idea and was supported by President Nazarbayev of Kazakhstan and other heads of states. Viktor Stepanovich expressed the confidence that at the next summit meeting, scheduled for 24 September, the presidents will sign the main document—the treaty establishing the CIS Economic Union.

"You mentioned the role of the presidents, didn't you?" I asked the prime minister. "But what about the role of your colleagues, the heads of governments?"

"This document is a priority for us," Viktor Stepanovich said. "After all, we are working out our own scheme for economic cooperation among the member countries and a mechanism for its implementation. On the basis of the document signed today we will sign bilateral agreements defining the actual terms for the participation of countries in the ruble zone. And furthermore not only those who took part in today's ceremony. The premiers of some other countries intend to fly to Moscow tomorrow."

"Which ones?"

"I cannot say," Viktor Stepanovich smiled. "You will see for yourselves tomorrow."

Draft Economic Union Treaty Ready for Signature

PM0709155393 Moscow ROSSIYSKAYA GAZETA in Russian 2 Sep 93 First Edition p 4

[Unattributed report: "Nearby Foreign Countries"]

[Text] Participants in the session of the CIS Coordinating and Consultative Committee in Minsk have finished work on the draft treaty on the creation of an economic union. The document will be submitted for signing by heads of government and state at the 7 September Commonwealth summit meeting in Moscow.

The draft treaty provides in particular for the preservation of a single economic area with free movement of goods, services, and capital, and the coordination of monetary, budgetary, foreign economic, and currency policy. The document enshrines the creation of an interstate free trade association and the removal of customs duties, taxes, and charges.

Jan-Jul Economic Performance Summed Up

PM0609123593 Moscow ROSSIYSKIYE VESTI in Russian 1 Sep 93 p i

[Denis Runov article: "CIS Economy: The Crisis Deepens. But Seemingly No Threat of Famine"]

[Text] The total volume of industrial output throughout the Commonwealth as a whole in January-June this year fell by 14.3 percent compared with the first six months of last year. July's average daily production output was 16 percent down on June.

Wholesale enterprise prices throughout the Commonwealth in January-July were on average 10 times higher than in the corresponding period last year. Wholesale prices in July were 30 percent up on those of June this year.

The production of consumer goods has fallen by 11 percent in Russia, 14 percent in Tajikistan, 22 percent in Kyrgyzstan, and 31 percent in Armenia. The average fall throughout the CIS was 10 percent. The most dramatic situation has developed in light industry. Production in this sector plummeted by 18 percent in the CIS as a whole compared to the first six months of last year. Heavy industry reflects the most stable situation by comparison with other sectors. For instance, the CIS-wide slump in the production of rolled ferrous metal for the very same period came to just 7 percent in all.

The following figures (in percentages) illustrate the changes recorded in the total volume of industrial output and wholesale enterprise prices in Commonwealth states in the period January-July 1993 as compared to the corresponding period in 1992:

	Total Volume of Output	Wholesale Price Index for Enterprises	For Reference: Total Output Volume for Jan-Jun 1993 Compared to Jan-Jun 1992
Armenia	50.4	719	48.6
Belarus	84.7	1,322	83.7
Kazakhstan	88.3	1,534	89.3
Kyrgyzstan	72.2	813	75.4
Moldova	101.3	857	100.9
Russia	82.5	935	82.0
Tajikistan	72.1	1,037	69.5
Turkmenistan	114.4	1,673	116.9
Uzbekistan	99.9	1,066	98.1
Ukraine (estimate)	93	—	95.0

Reduced oil extraction led to a fall in the volume of oil being refined and in the output of basic petroleum products. On average, primary oil refinement in the Commonwealth dropped by 16 percent, while the production of gasoline fell by 37 percent, that of diesel fuel by 16 percent, and that of fuel oil by 17 percent. In Belarus there was a 36 percent drop in the output of diesel fuel, a 37 percent drop in that of gasoline, and a 40 percent drop in that of fuel oil, while in Turkmenistan these figures were 34, 20, and 46 percent respectively. In Uzbekistan production levels for basic petroleum products rose by comparison with last year.

In January-July 1993, gas extraction on average throughout the Commonwealth was roughly on a par with the corresponding period last year. Oil extraction, including gas condensate, fell by 13 percent, and that of coal by 9 percent.

Fuel and Energy Resource Extraction by Individual Commonwealth Producer States in January-July 1993

	Oil (including gas condesate)		Gas		Coal	
	million tonnes	tonnes as % of Jan-Jul 1992	billion tonnes	tonnes as % of Jan-Jul 1992	million tonnes	tonnes as % of Jan-Jul 92
Kazakhstan	13.6	90	4.3	89	67.5	93
Russia	205	87	367.0	98	182.0	90
Turkmenistan	2.6	84	41.9	121	—	—
Uzbekistan	2.2	119	26.0	104	2.0	71

Output of Electricity By Individual Commonwealth Countries in January-July 1993:

	billion kwh	as % of Jan-Jul 1992
Armenia	3.5	67
Belarus	20.0	94
Kazakhstan	45.6	94
Kyrgyzstan	6.4	89
Russia	529.0	93
Tajikistan	10.7	106
Turkmenistan	7.6	94
Uzbekistan	28.2	92

By comparison with January-July 1992, electricity production fell in the Commonwealth by 7 percent on average.

The output of mineral fertilizers dropped by 19 percent in Russia, 29 percent in Belarus, and 66 percent in Kazakhstan in the space of seven months. Oil extraction

fell by 13 percent in Russia and the CIS, by 10 percent in Kazakhstan, and by 16 percent in Turkmenistan.

Areas sown to agricultural produce have shrunk. On the whole, however, this year's harvest is somewhat more plentiful than last year's.

Harvest of Grain and Pulse Crops (Excluding Corn) in Agricultural Enterprises of Commonwealth States as of 16 August 1993:

	Cut			Threshed	
	million hectares	as of sown area	1993 as % of 1992	million hectares	as % of cut area
Belarus	1.5	58	65	1.5	99.2
Kazakhstan	3.3	16	97	3.0	91.0
Kyrgyzstan	0.3	59	99.7	0.3	99.8
Moldova (9 Aug)	0.4	94	116	0.4	99.6
Russia	19.6	36	70	16.7	85.0
Tajikistan	0.2	57	111	0.2	94.0
Turkmenistan	0.3	—	137	0.3	100.0
Uzbekistan	0.8	86	107	0.8	99.6
Ukraine	11.0	90	—	10.0	96.0
CIS in total	37.4	41	79	33.2	89.0

ITAR-TASS Carries Press Review for 8 Sep

LD0809055593 Moscow ITAR-TASS in English 0448 GMT 8 Sep 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow September 8 TASS—Today's newspapers lively comment on an agreement, signed in Moscow recently by Russia, Belarus, Kazakhstan, Uzbekistan, Armenia, and Tajikistan, "on practical measures to establish a rouble area of a new type". "The Commonwealth of Independent States (CIS) becomes an economic alliance after the pattern of confederation" is how NEZAVISIMAYA GAZETA (INDEPEDENT NEWSPAPER) describes the agreement.

In TRUD, Leonid Abalkin, director of the Russian Academy of Sciences' Institute of Economics, gives a cautions appraisal of the agreement. "It seems that following the euphoria of delimitations, ex-Soviet countries are sobering up and, maybe, they really come to long for cooperation. Should one expect that the signing of the agreement will prompt other ex-Soviet republics to make steps in the same direction?" Abalkin queries.

KOMSOMOLSKAYA PRAVDA is more categoric in its judgements. It believes that "it is a question of a partial recreation of the integrated economic structure which was disrupted during the 'parade of sovereignties'. Those countries which agreed to use the rouble, partially waive their independence and recognise Russia's influence," the newspaper points out.

PRAVDA, commenting on the agreement, expresses doubt that it will work. Will the rouble area of a new type become a basis for an economic alliance of ex-Soviet republics?, the newspaper queries. It points out that the unstable socio-polittical situation in some CIS coutnries, which brought about a sharp deterioration of the economic situation and social upheavals, compelled the leadership of the republics to come to speak about the need to create an economic union.

KRASNAYA ZVEZDA (RED STAR) limited itself to publishing a communique about the signing of the agreement.

NEZAVISIMAYA GAZETA devotes a big article to privatisation problems in Russia in the light of the latest developments connected with a letter sent by Economics Minister Oleg Lobov to President Boris Yeltsin.

The minister suggests "a new nethodology of privatisation", the newspaper notes. It maintains that "Boris Yeltsin is prepared to move from Chubays-suggested privatisation to a Lobov-suggested one". However, NEZAVISIMAYA GAZETA believes, politics again directs the economy and again sends it in the opposite direction.

"One thing is not clear whether the president intends to use the new privatisation programme (?for) privatisation as a trump card in the action the parliament. If he does intend to do so, then, as a result of signing the Lobov-suggested draft decree, he simply gained time and some support from the general public, which, incidentally, will not prevent him from getting involved in the usual political squabbling which reduces to nought all possible socio-economic dividends from this action".

PRAVDA carries an article by General Aleksandr Sterligov, chairman of the executive committee of the duma (council) of the Russian national sobor (assembly), who scrutinises the history of the Soviet state. Sterligov turns

to the "Russian idea which has always been salutary for the fatherland in times of need". His point of view is that the west was busy gradually wrecking the Soviet Union in order to ruin Russia subsequently.

Sterligov tries to answer the question why "the agencies of the KGB of the Soviet Union failed to perform their duty, failed to ensure the security and territorial integrity of our state and permitted the 'ascension' of puppet authorities that obey foreign advocates of the elimination of Russia, the advocates who have long been casting greedy glances at her", PRAVDA writes.

KRASNAYA ZVEZDA sums up the results of the first Moscow international aerospace show. The newspaper of the Russian Defence Ministry notes that the splendour of the premiere failed to conceal the faded tones of the actual state of affairs in the Russian aerospace industry. The newspaper writes that the aerospace industry is coming to a standstill in its development and spends the accumulated research and development potential without virtually replenishing the margin.

"Franlkly speaking, the air show did not display any bright novelties which could become a sensation for experts", the newspaper emphasises.

Yeltsin, Clinton Discuss Ties, Current Issues

LD0709190693 Moscow ITAR-TASS World Service in Russian 1752 GMT 7 Sep 93

[Text] Moscow, 7 Sep (ITAR-TASS)—A telephone conversation took place this evening between Russian President Boris Yeltsin and U.S. President Bill Clinton.

During the conversation, according to the president's press service, issues in bilateral relations were discussed, as well as international problems—the results of the meeting between the presidents of Russia and the Ukraine in the Crimea, the position of the Russian-speaking population in the Baltic region, and a settlement in Bosnia and in the Middle East.

The U.S. President spoke about the progress made with the passage through the U.S. Congress of a draft law backing the reforms in Russia with the allocation of $2.5 billion for the purpose, and also about the administration's measures to lift discriminatory restrictions in U.S. legislation on trade and economic relations with Russia.

Azerbaijan's Aliyev Meets Officials, Discusses Karabakh

Issues Statement on Yeltsin Meeting

PM0709123593 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 2

[Vasiliy Kononenko report: "G. Aliyev: 'I Have the Feeling That I Have Not Left the Kremlin'"]

[Text] Russian Federation President B. Yeltsin met with G. Aliyev, acting president of Azerbaijan and chairman of the republic's National Assembly, 6 September in the Kremlin. They had a conversation lasting around an hour and at the end of it G. Aliyev issued the following statement to journalists.

During the conversation we discussed a series of issues linked with boosting the level of interstate relations, which have not over the last two years accorded with either Azerbaijan's or Russia's national interests, G. Aliyev said. B. Yeltsin also concurred with that conclusion. We decided that we must embark on improving these relations in phases. Concrete measures will be studied at various levels.

Of course, G. Aliyev continued, the Karabakh problem was discussed during the conversation. I am convinced that Russia cannot remain neutral in this conflict. We outlined concrete measures for cooperation in this sphere and they will be studied at Foreign and Defense Ministry level.

As for Azerbaijan's attitude to participation in the CIS, G. Aliyev said, I can say this. There are fairly influential forces in the republic's National Assembly that oppose Azerbaijan's involvement in the Commonwealth. But on the eve of my trip to Moscow this issue was discussed in detail by the parliament and I was ultimately given instructions to hold talks on this and even adopt a decision based on the results of these talks.

"You have tremendous experience of working in leadership under the Communist regime. What ideas from the past do you intend to put into practice in Azerbaijan," IZVESTIYA's correspondent asked. And G. Aliyev gave the following response:

"We did discuss this matter with Boris Yeltsin. As for the essential points I can say this. We have embarked on political and economic reforms. Azerbaijan will proceed with the democratization of public life and economic reforms. It will never revert to a Communist regime," G. Aliyev concluded.

When Geydar Aliyev was asked about his impressions of his visit to the Kremlin, he said: "I have the feeling that I have not left the Kremlin."

Russian Forces To Return to Azerbaijan

NC0709135393 Baku TURAN in English 1148 GMT 7 Sep 93

[Text] Baku, September 7 (TURAN)—Russian forces having withdrawn from Azerbaijan since Abulfaz Elchibey's government coming to the power would be returned to Azerbaijan. This is the result of yesterday's Moscow meeting of the leader of the Republic Geydar Aliyev with Russian leaders.

As TURAN's correspondent was told by the informed source at the Russian president's staff, in the course of these meetings they agreed to create two Russian military bases in Azerbaijan. The control of Moscow over the Caspian Navy base, situated in Baku will be restored and special military base in the second Azerbaijan significant city of Ganja will be built. Possible variant of dispatching Russian forces on the border of Azeroaijan with Iran and Armenia had been discussed too.

The same source told, that character and the aim of the questions discussed had left no doubt that Azerbaijan intended to enter CIS.

Geydar Aliyev after his talk with Boris Yeltsin told the journalists, that "Azerbaijan's participation in all the structures of CIS contradicts neither the interests of Azerbaijan nor Russia".

Within the period of 1992-1993 4th Russian Army, consisting of 4 motor-infantry divisions (60 thousand soldiers), separate 104 air-landing division, units of assault aircraft, brigade of military-air forces and another subdivisions, had been withdrawn from Azerbaijan. Caspian Flotilla was divided between Azerbaijan and Russia in correlation of 1 to 4.

Azerbaijan Plans To Join CIS

LD0709165393 Moscow ITAR-TASS in English 1618 GMT 7 Sep 93

[by ITAR-TASS correspondents Ivan Ivanov and Viktor Shulman]

[Text] Moscow September 7 TASS—Azerbaijan plans to join the Commonwealth of Independent States and will, possibly, announce it officially on September 24 at the Moscow Commonwealth summit. Russian Prime Minister Viktor Chernomyrdin told correspondents tonight upon the completion of his meeting with acting Azeri President Geydar Aliyev.

In the words of the Russian premier, the meeting discussed a broad range of issues related to bilateral political and economic cooperation, as well financial and credit relations. He stressed Russia will help Azerbaijan to stabilize the economic and political situation in the republic.

The premier called for the need to settle the Karabakh conflict, which has a tendency to expand, as soon as possible. The conflict "must be stopped, since it will lead to trouble," said the prime minister.

Viktor Chernomyrdin expressed satisfaction with today's meeting with Geydar Aliyev, as for the first time Russia and Azerbaijan discussed major issues at so high a level. "Russia and Azerbaijan are taking the normal path of cooperation as two independent sovereign states," said the prime minister. They have begun a new stage of bilateral relations.

In his turn, Acting Azeri President Geydar Aliyev said the negotiations focused on termination of "combat operations on Azeri territory, which have long expanded outside Nagorno-Karabakh and brought the number of refugees on republican territory to one million".

He said the Russian premier "took this problem with understanding. The Russian stand makes us sure it is possible to cease fire and stop the bloodshed in the conflict zone through joint efforts".

In the words of the Azeri leader, Azerbaijan favours close economic cooperation with Russia in all spheres. "All our relations, not only economic, must be consolidated, and the ones lost must be restored," he said.

Upon the completion of negotiations, Russian Vice Premier Aleksandr Shokhin and his Azeri counterpart Abbas Abbasov signed an inter-governmental agreement to settle the question of succession as regards state foreign debt and assets of the former Soviet Union.

Under the document, Russia will take on itself obligations on payment of the Azeri share in the state foreign debt of the former Soviet Union as of December 1, 1991.

At the same time, Azerbaijan will pass over to Russia its share of assets of the former Soviet Union.

Aliyev Meets Kozyrev, Grachev, Shakray

NC0709202093 Baku Radio Baku Network in Azeri 1700 GMT 7 Sep 93

[Text] Geydar Aliyev, acting president and chairman of the Azerbaijan Supreme Soviet and National Assembly, held talks with Foreign Minister Andrey Kozyrev in Moscow yesterday. Kozyrev said later that a new stage has begun in the relations between Russia and Azerbaijan after President Yeltsin's talks with Aliyev. He also said that the two countries wish to further promote their interstate relations. He asserted: The time to [words indistinct] has been left behind. The fruits must be collected now. Russia and Azerbaijan stand to gain from that.

Geydar Aliyev and Russian Defense Minister Army General Pavel Grachev held talks for nearly two hours on the concrete ways of finding a peaceful settlement to the situation in Daghlyk Karabakh. Replying to a question by an AZERTAC correspondent, Gen. Grachev said that Russia [words indistinct] in light of the situation created in and around Daghlyk Karabakh. According to Grachev, Aliyev has asked him to use the influence of Russia's Armed Forces and Defense Ministry and his personal relations with the Armenian leaders to immediately have the military operations halted and the armed units withdrawn from Azerbaijan's territory. Grachev also said: The fact that Armenia is a CIS member and a party to the agreement on collective security must be considered. We confirmed our readiness to begin working on that problem, starting tomorrow.

Aliyev replied to a question as to whether or not Azerbaijan's leaders believe that resolving the Karabakh problem depends on Azerbaijan becoming a CIS member. He said that the matter should be considered separately and asserted: Integration into the CIS is a significant question of principle at the state level. Regarding the question of ending the military operations, which take place not in the former Nagorno-Karabakh Republic but far away from that region's border, Russia, including the Russian Federation's Defense Ministry, can play an important peacemaking role by using its political influence and authority.

Aliyev also asserted that he welcomed President Boris Yeltsin's and the Russian Defense Ministry's approach that they are ready to assist on the matter.

Regarding the strength of the support given in Azerbaijan to the idea of integration with the CIS, Aliyev said that the matter has been debated in an open parliamentary session. He noted that the idea had many opponents and supporters and asserted: Considering the state's interests, I personally believe that Azerbaijan must be in the CIS, that is, if the CIS members do not object. What I mean is the economic union, the collective security council, and the other organizations.

Aliyev's talks with Deputy Prime Minister Sergey Shakhray today focused on matters related to the removal of the dispute between Azerbaijan and Armenia. According to [word indistinct], the dispute, which spread beyond Daghlyk Karabakh's border a long time ago and led to the occupation of a significant part of Azerbaijan by Armenian military forces, has worsened the already complex social and political situation in the Republic.

Shakhray and Aliyev stressed that the incidents that have resulted in the occupation of several rayons close to Iran's border in southwestern Azerbaijan may internationalize the dispute. In view of that, Shakhray and Aliyev agreed that exchanges of fire in the disputed areas must be halted immediately, the Armenian military forces must be withdrawn from all the occupied territories in Azerbaijan in stages, and measures must be taken to have the refugees, who have been temporarily resettled in other rayons, transferred to those areas before the cold weather comes.

Deputy Prime Minister Abbas Abbasov has said that Azerbaijan has agreed to the proposal made by Deputy Prime Minister Sergey Shakhray for multisided talks between the leaders of Russia and the countries in the Caucasus in the near future. He also said the need for such a meeting was due to the uneasiness caused in Russia and Azerbaijan by the gradually worsening situation in the Transcaucasus and the Caucasus and the tension among the countries in the two regions. The situation [words indistinct] in Moscow on 7 September.

Speaking at a news conference, Geydar Aliyev pointed to the importance of the talks he held on the settlement of the Karabakh problem and the matters related to the improvement of relations between Azerbaijan and Russia. He said that [words indistinct] with Russia's leaders, Aliyev described his talks as very fruitful and useful for the two countries.

Meanwhile, Aliyev's talks with the mayor of Moscow reiterated the importance of the economic and trade agreement Moscow and Azerbaijan signed in Baku in August. The sides agreed on the need to further improve their bilateral relations in various fields. The mayor said that Moscow supports good-neighborly relations with the former allied republics and upholds the view that occupation of territories is inadmissible and all disputed matters should be resolved through talks. The mayor asserted: The peoples of Russia and Azerbaijan are bound by [word indistinct] ties. No one has the right to disrupt that tradition.

Grachev, Aliyev Discuss Military Cooperation

PM0809102593 Moscow KRASNAYA ZVEZDA in Russian 8 Sep 93 p 1

[Aleksandr Pelts report: "Azerbaijan Relies on Russia, Which It Wants To See as a Mediator in the Solution of the Karabakh Conflict"]

[Text] The Azerbaijani leader Geydar Aliyev once again confirmed his firm intention to proceed full steam ahead to join the CIS during a meeting with Army General Pavel Grachev, Russian minister of defense, which took place 6 September. During the talks topical problems of the mutual relations of the two countries were discussed.

Pavel Grachev, replying to journalists' questions, noted that he views the Azerbaijani leader's new approaches with approval and welcomes his desire for closer political and economic union with Russia. In its turn Russia is ready to offer Azerbaijan the most active aid in the peaceful settlement of the armed conflict which has brought this country to the brink of catastrophe.

It is difficult to overestimate Russia's peacekeeping role. Pavel Grachev noted that Geydar Aliyev appealed to him with a request to use the prestige of the Russian Army and the Russian Ministry of Defense and his personal relations with the Armenian leadership to facilitate the achievement of two principal tasks—an immediate cessation of combat operations and the withdrawal of Armenian armed formations to beyond Azerbaijan's borders.

Of course, at the same time it is necessary to bear in mind that Armenia is a member of the CIS and a party to the Treaty on Collective Security. However, this, it is thought, will not be an obstacle on the road to establishing peace. Geydar Aliyev himself did not hide the fact that there is no single opinion in Azerbaijan today on the republic's membership of the CIS. There are frank opponents of this idea. But all the same, the majority support it. He personally, on the basis of statewide interests, is insisting on CIS membership.

During the meeting the prospects of cooperation in the military sphere were also discussed. Pavel Grachev, noting the serious mistakes on the part of the former leadership with regard to Russian units stationed on the territory of this republic, expressed himself in favor of developing this cooperation. However, he stressed that specific steps in this direction can be made only after Azerbaijan signs the Treaty on Collective Security.

Russian Envoy's Tour of Armenia, Azerbaijan Viewed

PM0709113593 Moscow ROSSIYSKIYE VESTI in Russian 3 Sep 93 p 2

[Aleksandr Iskandaryan report: "Intermediary Came from Moscow. Armenia's Border Will Be Guarded by Joint Russian-Armenian Detachments"]

[Text] Vladimir Kazimirov, Russian Federation ambassador with special responsibilities and the Russian president's personal representative, has completed his tour of the capitals of the republics involved in the Armenian-Azerbaijani conflict. This visit to Baku, Stepanakert, and Yerevan was designed to overcome the deadlock in the process of arranging direct contacts between the warring sides. Against the background of combat operations in

the southwest of Azerbaijan and the internal instability in that republic, the visit did not bring tangible progress. The meeting between representatives of Armenia and Azerbaijan, which was to have been held in Moscow, was canceled. Geydar Aliyev made it clear to members of the mediatory mission that a top-level meeting with representatives of the Nagorno-Karabakh Republic, which is recognized by no one, is impossible at present. On the other hand, Karabakh long ago became an independent force in the conflict, and without its participation no talks between Yerevan and Baku alone can lead to peace.

The Russian delegation's contacts in Yerevan proved somewhat more successful. The delegation included Andrey Nikolayev, commander of the Russian Federation's border troops. During his meetings with Armenian President Levon Ter-Petrosyan Armenia's desire to keep on the republic's territory the Russian Federation border troops guarding Armenia's border with Turkey and Iran was confirmed. Against the background of the tragic events in Tajikistan and Azerbaijan—republics from which all Russian troops have been withdrawn, including border troops—this attests to a strengthening of the two countries' military cooperation. Nikolayev found the situation of the Russian border guards in Armenia satisfactory and declared that the Armenian authorities are doing everything to ensure that the border guards can guard the CIS borders normally. Levon Ter-Petrosyan and Andrey Nikolayev confirmed that Armenia's border will be guarded by joint Russian-Armenian border detachments. It was emphasized during the talks, the Armenian president's press service reports, that Armenia's border is a constituent part of the CIS borders and its inviolability is ensured by the collective security treaty signed by the Commonwealth member states.

At the same time an Armenian delegation headed by Vice Premier Vigen Chitechyan held talks in Moscow on questions concerning the ruble zone. Armenia is standardizing its tax, customs, and credit policies with Russia. The ruble will remain the sole means of payment in Armenia.

All these events indicate that Armenia is an indubitable supporter of an alliance with Russia in not only the political but also the economic spheres. Armenian politicians are evidently clearly aware that there is simply no other way for this small country, which is being blockaded and is in a protracted conflict with Azerbaijan.

A spokesman for the Karabakh defense army staff denied reports of an offensive by Armenian detachments against Kubatly, a rayon center in southwest Azerbaijan. According to him, the fighters of the Nagorno-Karabakh Republic defense army who established control over commanding heights in the region of Kubatly several days ago have been ordered not to enter the city.

In recent days Karabakh forces captured another two Azerbaijani rayon centers—Fizuli and Dzhebrail. Earlier this summer the rayon centers of Kelbadzhar and Agdam also fell beneath an Armenian onslaught.

Meanwhile, the information and press department of the self-proclaimed Nagorno-Karabakh Republic has reported that representatives of Stepanakert and Baku have signed another agreement on a cease fire in the conflict zone through 10 September.

Ambartsumov Calls Relations With Lithuania 'Normal'

MK0709080093 Moscow NEZAVISIMAYA GAZETA in Russian 7 Sep 93 p 3

[Report by Yevgeniy Ambartsumov, chairman of the Supreme Soviet Committee for International Affairs and Foreign Economic Relations, under the "Opinion" rubric: "Relations With Vilnius Are Normal"]

[Text] Although our visit to Vilnius lasted only one day, it proved fairly fruitful. We had successful meetings with parliamentary leaders and President Brazauskas.

In the run-up to the meeting we presumed that Lithuania, unlike Latvia and Estonia, had positively resolved the issue of the Russian population's civil rights and that the current Lithuanian government, unlike its predecessor, does not hold extremist national views. There is no ignoring President Brazauskas's reasonable and friendly approach to Russia, though he is naturally pursuing the interests of the Lithuanian state. Given this, in my view, there was no point in announcing the troop withdrawal suspension, especially since it resumed immediately and parting festivities took place.

Obviously, we raised with President Brazauskas and Lithuanian parliamentarians the question of the notorious $146 billion, the claims to which had nearly thwarted the talks. The president pointed out that a member of the delegation had mentioned the number, and it did not reflect Lithuania's official stance. The mass media had blown up the significance of this number.

We gained the impression that if both sides present well-founded and serious claims (it is well known that Russia is leaving port facilities, electric power stations, tens of thousands of apartments, and other infrastructure to Lithuania, but—however strange it may seem—the value of these Russian assets has not been calculated), an agreement can be reached on mutually waiving the claims.

For our part, we expressed concern over the conditions of the Russian community in Lithuania, pointing out its lack of "shelter" in the form of an appropriate building since there is disorder in the Russian embassy and the difficulty of maintaining links with Kaliningrad. The Lithuanian side assured us that those permanently residing in Kaliningrad Oblast will be given the right to pass through Lithuanian territory without transit visas.

On the whole, both sides came to the conclusion that it was essential to build mutual relations on the basis of reciprocity. We agreed that the next meeting of the two parliaments' international affairs committees would be held in Kaliningrad Oblast, and after that Lithuanian parliamentarians would be received in Moscow.

Denies Role of U.S. Pressure

LD0509182193 Moscow Ostankino Television First Channel Network in Russian 1445 GMT 5 Sep 93

[Report by correspondent Andrey Cherkasov, including interview with Yevgeniy Ambartsumov, chairman of the Supreme Soviet Committee for International Affairs and Foreign Economic Relations; from the "Novosti" newscast]

[Text] A special delegation of the Russian Supreme Soviet has returned from Vilnius. It discussed matters relating to the withdrawal of troops and attitudes to the Russian-speaking population living in Lithuania.

The price the Lithuanian side put on the damage caused by Moscow since 1940 is $146 billion, and the bilateral talks very nearly broke down over that figure. However, it soon emerged that this estimate had been put forward by one delegation member and was not Lithuania's official position. The two sides are each making claims on the other. For instance, it is not yet known what figure will be put on the value of the power stations, ports, roads, and military installations left behind after the departure of the Russian units. Several days have passed since the last Russian soldier left Lithuania.

[Begin recording] [Cherkasov] What, in your opinion, had an influence on the settlement of this problem, and do you have a feeling that any influence was exerted by the United States—by which I mean the U.S. declaration that economic aid to Russia worth $700 million would be stopped if the troops were not out of Lithuania by 6 October?

[Ambartsumov] I don't think that was the point. The important thing was the Russian leadership's policy for settling this issue, which it proclaimed long ago. In other words, it was nothing to do with U.S. pressure, which would be inappropriate, especially in relation to Russia. Rather, the point is that Russia is continuing its policy of regulating its relations with the former republics of the Soviet Union. [end recording]

'Problems' With Lithuania Remain

PM0709152193 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 93 First Edition p 7

[Correspondent Yuriy Stroganov "Commentary": "Troops Have Left Lithuania. But Problems Remain"]

[Text] Vilnius—So a new page in Russian-Lithuanian relations opens. The occupation troops, as many local politicians call them, have left. The country has celebrated a moment that brings a whole era to a close.

However, in my view that historical period is far from being as clear-cut as some Lithuanian politicians interpret it now. The final assessment of the last 50 years spent as part of the USSR remains to be made by time.

Was there nothing but bad in the relationship between Lithuania and the rest of the USSR? That question will undoubtedly be touched on in the assessment of the damage caused to Lithuania by the Soviet Union, which is estimated by some local experts to assume the gigantic sum of $146 billion (?!). That is equivalent to the republic's budget 500 times over. Of course, it would be advantageous to pin all the historical blame on your neighbors and then live comfortably at their expense. However, Russian bookkeepers will be drawing up a different set of accounts: They will take account not just of the damage caused but also the contribution made—plants and factories built in Lithuania and the raw materials and energy resources which streamed into the republic's economy almost free of charge over 50 years.

The compensation issue became an almost insuperable obstacle in relations between Lithuania and Russia at the very final stage because it delivered trump cards into the hands of President Algirdas Brazauskas' opponents. It was the opposition which uncompromisingly linked the questions of compensation and troop withdrawal. Exponents of that idea formed part of the Lithuanian state delegation at the talks with Russia, and it was they who frustrated the process of agreeing to the document, even if in Lithuania the responsibility for complicating relations between the two countries was pinned on Russia.

The president of the republic himself and many politicians said that they thought a hardline approach to resolving the compensation issue was incorrect and voiced the need for compromise. Vytautas Buynyevichus [name as transliterated], a member of the Lithuanian Seimas Committee for the Economy, considers that the absurd $146-billion compensation demand put forward by the Lithuanian Republic caused a gale of laughter around the world. "Guided by the same slipshod working method, the Russians could "prove" that Lithuania owed Russia for the return of Vilnius and Klaipeda District," the newspaper TIESA writes in this regard.

By resolving to suspend the almost-completed troop withdrawal the Russian diplomatic service unexpectedly aggravated the power struggle in Lithuania, especially on the eve of the pope's visit. Sajudis had once benefited from the wave of emotions generated by the struggle against the "Red Army" and "the Communists." Now the former situation was recreated, as it were: You again had the problem of the "Red Army" and "the Communists", the "exes", and they were headed by Brazauskas.

The troops have left. The question of an agreement and consequently of social safeguards and pensions for former servicemen still hangs in the air. True, the joint Lithuanian-Russian declaration agreed by Presidents Brazauskas and Yeltsin by telephone on 30 August, at a

critical moment in the troop withdrawal timetable, says that the whole range of relations between the two countries will be discussed in detail during a personal meeting. The meeting is due to take place, according to Brazauskas' statement, in mid-September, during which a treaty on most-favored trading status, which is so essential to the two countries, as the president of Lithuania said, could be signed.

And yet for the generally well-disposed atmosphere regarding Russia that prevails among the Lithuanian leadership, you cannot help noticing that the question of Kaliningrad Oblast, which is greatly dependent on the republic, keeps being raised again and again. All services and communications—gas, transport, electricity, and so forth—run through Lithuania for the time being.

Be that as it may, a new page in relations between Lithuania and Russia has really been opened. With the withdrawal of the troops the opportunity for snide political insinuations disappears. The shadow of mistrust and suspicion should no longer fall on their relations as they entering a phase of healthy, pragmatic mutual interest. Lithuania with its onerous economic problems, complicated by political confrontation, is bound to be concerned with Russia's sources of raw materials and sales markets. Of course, Russia has to build its relations with the former satellites without trying to be "Big Brother," but also without a guilt complex, which shrewd pragmatists from the former regions make skillful attempts to exploit for their own ends.

Military Pensioners Face Hardships in Lithuania

PM0709160393 Moscow KRASNAYA ZVEZDA in Russian 4 Sep 93 p 2

[Report by Valeriy Gromak and Sergey Knyazkov: "When Russian Soldiers Have Left... Military Pensioners Left Behind in Lithuania Are Alarmed About Their Future"]

[Text] The last subunits of the Russian Army left Lithuania 31 August. Russia has thereby kept its main promise to Lithuania and the world community. But this important event should not obscure the mass of problems still unresolved at the interstate talks. For example, there is still no agreement on social protection for Russian military pensioners in Lithuania. There are also a number of questions regarding the future of the Russian-speaking population still living in the republic, although Lithuanian officials have on several occasions made appropriately "reassuring" statements.

The families of former servicemen in the settlement of Juodkrante have their own misfortunes. Their air defense unit was disbanded in December 1992, but the people stayed behind and are now in utter despair. Their letters to KRASNAYA ZVEZDA indicate that two blocks each containing eight apartments were constructed for the unit in 1989. These buildings were on the books of the Liepaja Apartment Management Unit, and the servicemen's families obtained residence permits through their unit. However, following the Republic of Lithuania president's edict nationalizing former Soviet Army property, the blocks were transferred to the books of Sestkaya [name as transliterated] City Hall; new residence permits were not issued. And without a residence permit it becomes impossible to privatize an apartment, sell it, or buy a new house in Russia once you have left. What are you to do? What is to become of you?

Thus it is that former Russian servicemen and their families virtually find themselves in voluntary incarceration: They hold a USSR passport which is invalid in the republic and does not even give them the right to leave Lithuania.

Latvian Envoy, Shakray Discuss Talks, Ethnic Russians

LD0309172193 Riga Radio Riga Network in Latvian 0900 GMT 3 Sep 93

[Text] The Latvian Embassy in Moscow announced this morning that Janis Peters, ambassador of the Republic of Latvia to the Russian Federation, met yesterday with Sergey Shakhray, deputy chairman of the Russian Council of Ministers. Under discussion was the need to give new impetus to the bilateral talks between Latvia and Russia. In the talks between the ambassador and the Russian Government (?representative), there was also (?mention) of the situation of ethnic Latvians in Russia and the possible visit of Latvian President Guntis Ulmanis to Russia, as well as the commemoration in Moscow of the 75th anniversary of Latvian independence.

At the invitation of Latvian Prime Minister Valdis Birkavs, the deputy prime minister of the Russian Government agreed to come on a working visit to Latvia during the second half of October.

Reaction to Yeltsin-Kravchuk Accord on Fleet

Officials Comment

PM0709133193 Moscow ROSSIYSKIYE VESTI in Russian 7 Sep 93 pp 1, 2

[Pavel Shinkarenko report: "The Black Sea Fleet Was, Is, and Will Be Russian. This Is the Conclusion That Can Be Drawn on Studying the Results of Boris Yeltsin's Talks With Leonid Kravchuk"]

[Excerpt] [passage omitted] **...in the Russian Ministry of Foreign Affairs**

"At last Russia and Ukraine have reached the sort of accords on fundamental questions of bilateral relations which really open the way toward the friendship and cooperation of fraternal peoples," Yuriy Dubinin, the Ministry of Foreign Affairs' special envoy and leader of the Russian Federation state delegation at the talks with Ukraine, told ROSSIYSKIYE VESTI. "I have only one

desire—to put the presidents' Crimean decisions into effect quicker. The sooner we do this, the better it will be for Ukraine, Russia, and the whole world."

...in the Russian Federation State Committee for Economic Cooperation with the Commonwealth Member States

"The transfer of the Ukrainian part of the Black Sea Fleet to Russia's jurisdiction, as is well known, is directly linked with the resolution of the problem of Ukraine's debt," Andrian Budyan, chief of the Russian Federation State Committee for Economic Cooperation With Commonwealth States Financial and Credit Relations Committee, told ROSSIYSKIYE VESTI's correspondent. "The total sum of this debt comprises two parts. The first is the technical credits received by Kiev in 1992-1993. They have now been officially transferred to the state debt and are equal to $2.5 billion. The second part—roughly 1 trillion rubles—is formed from the figures for the nonpayments by Ukrainian enterprises for the delivery of energy sources—oil and gas—from Russia. I think that this will be enough to pay for the cost of the Black Sea Fleet warships. But this will be seen once and for all when the intergovernmental commission's experts get to work." [passage omitted]

Backlash to Kiev's 'Humiliation' Predicted

MK0709120293 Moscow NEZAVISIMAYA GAZETA in Russian 7 Sep 93 p 1

[Vitaliy Portnikov commentary: "Moscow Cannot Be Indifferent to Kravchuk's Fate. The Version About the Transfer of the Black Sea Fleet to Russia Has Changed Beyond Recognition Within Several Hours"]

[Excerpt] [passage omitted] At the meeting in Massandra the Russian Federation President for really the first time played the role of a "Russian Milosevic." Just like the notorious Serbian president, he spoke with his neighbor in the tough language of a winner not willing to give way. Indeed, Russia has won an economic war and now has the right to demand from Ukraine anything it may wish. This is especially important for a person who has made Russia's relations with the CIS countries dependent on his own political survival. Parliament, adopting loud but ineffective decisions, and Yeltsin returning the fleet and Sevastopol to the country—what a favorable comparison! Realistic-minded politicians, however, should not forget that even after the meeting in Massandra, after the resolution of the power issue in Russia, and after the sale of the fleet, Ukraine will not move to Asia or America. It will always be here, nearby.

What is more beneficial—to lose a ghostly geopolitical presence in a locked Black Sea, which was so vital to a superpower like the former Soviet Union but of secondary importance to a common Eurasian developing country dependent on foreign credits, while keeping a friendly neighbor on the way to Europe, or to get a "symbolic fleet" and the "city of Russian glory" [Sevastopol] while building relations with an embittered state? After all, the echo of the Massandra humiliation will somehow or other make itself felt—if not to the current Russian president, then to his successor. The Russians in their state history have known everything—their troops in Paris and in Berlin, the French in Moscow, the Germans near Moscow.... The Ukrainians have not had a statehood of their own—at least in the contemporary period. Fraternal Russia has become the first country to humiliate it in front of the world for the sake of a glorious victory for its president.

Let us not, however, hurry to congratulate President Yeltsin on his victory today. It may very well be that the development of events in Ukraine in an unwelcome direction will force Moscow to take the fleet as far as possible from the Crimean coast and try to find energy resources for Ukraine, even by taking them away from its own regions that are already surviving on a starvation diet. Quite possibly, other states will have to play the role of such a "donor"—instability in Ukraine can change the situation not only in Russia but throughout Europe. It is not ruled out that what has happened will bury the realistic idea of an economic union—and will generally undermine the positions of realists in the Commonwealth countries. In addition, it would also be interesting to get an answer to this question: How will Russia build its relations with the CIS countries when it finds itself unable to supply them with cheap or even expensive energy, or should the crisis in the oil and gas industry mean an end to its foreign policy? This question, however, is rather rhetorical. Even so, it is clear that the unexpected ending of the Massandra meeting has opened "Pandora's box" to such an extent that it will not be easy to close it shut.

Dispute Continues Despite Pact

PM0709160193 Moscow KRASNAYA ZVEZDA in Russian 7 Sep 93 p 3

[Anatoliy Stasovskiy report under the "Events and Commentaries" rubric: "After the Massandra Summit: National Patriots Trying To Break President Leonid Kravchuk's Will"]

[Text] Massandra, Moscow—The emotional outbursts over the decisions adopted at the talks between the Russian and Ukrainian presidents in Crimea are already a thing of the past today. The enthusiasm of some and disappointment of others have already given way to an analysis of the results of the talks. The prime question to which the politicians, economists, and lawyers are seeking an answer is this: Will the Black Sea Fleet be Russian or not? According to the logic of things there is a very high likelihood of that if the ideal option prevails. Judge for yourself: During the talks in Crimea the sides could not find a mutually acceptable solution to one of the most important problems—the redemption of Ukraine's debt. Then the option appeared whereby the debt would be cancelled by means of the Ukrainian half of the Black Sea Fleet and the possibility of Russia's use

of the naval bases in Crimea. The presidents are confident that the option they proposed is perfectly realistic, even if it was somewhat improvised, and you could sense that confidence in their resolute statements at the press conference in Massandra. Russia's gain here, it seems to me, is primarily political and geopolitical. Ukraine's is economic. But where the interests coincide, however, is in the fact that an opportunity has appeared for improving the situation in the Black Sea Fleet and Crimea as a whole.

But now for what is surely the most important aspect of this problem today. If the sides do intend to sign agreements on the Black Sea Fleet and the Crimea naval bases, they will do so only after the special commission has completed its work. I have no doubt that it will be up to the task. But after an analysis of the events which immediately followed the talks in Crimea there are great doubts that the commission will be able to work in peace. This is despite the protocol which has been signed whereby the Black Sea Fleet with all its infrastructure in Crimea will be used by Russia. Even despite the desire of the Black Sea sailors and residents of Crimea that the fleet should remain whole.

The development of events and complication of the political situation in Ukraine was not hard to predict even in Massandra. Immediately after the press conference by Boris Yeltsin and Leonid Kravchuk. It was then that Ukrainian journalists floated the idea that Russia wants to "bring Ukraine to its knees." By all accounts they were not satisfied either with the figures cited by Vyacheslav Kostikov, the Russian president's press secretary, (for example, that around 83 percent of the total funding of the Black Sea Fleet already comes from Russia right now) or his attempts to explain that no one has any intention of bringing anyone to their knees. One Ukrainian colleague whom I know well (and whose views are certainly not extremely radical) said that Leonid Kravchuk can now boldly be accused of betraying Ukraine's national interests.

The categorical nature of such assessments and statements—which, of course, spread very rapidly across the whole of Ukraine—caused the Ukrainian diplomats and experts in Leonid Kravchuk's team to backpedal somewhat. They have already stated that there were and are no specific accords to date. Everything is still up in the air. This was effectively confirmed by the Ukrainian president after returning to Kiev. He announced that no final decisions had been made on the sale of ships and that Russia had only expressed a few proposals which the special joint commission is going to discuss. This was not the same Leonid Kravchuk who just recently in Massandra resolutely supported Boris Yeltsin's words that the Black Sea Fleet is henceforth Russian.

On 5 September the Ukrainian Defense Ministry press service issued a statement by Ukrainian Defense Minister Kostyantyn Morozov, in which he notes that during the meeting between the Ukrainian and Russian presidents in Massandra no agreement was reached on the transfer of the Ukrainian part of the Black Sea Fleet to Russia. Morozov expressed the hope that an analysis of the Russian proposals will be made by "Ukrainian patriots" based on the republic's national security interests.

One way or another, it seems that for the time being the Black Sea sailors will have to delay the official hoisting of the St. Andrew's flag on their ships. For the time being, it seems, the concerns of the Black Sea Fleet sailors and the Crimean people cannot "compete" with the problems of the political struggle.

'Logic' of Buying Fleet Questioned

PM0809085193 Moscow ROSSIYSKAYA GAZETA in Russian 7 Sep 93 First Edition p 1

[Vyacheslav Kocherov "Commentary": "What Is Being Bought Cannot Be Sold"]

[Text] Some of the mass media have declared the latest round of talks on the Black Sea Fleet problem to have been a political success for Boris Yeltsin, which his press secretary wholly ascribed to the coordinated policy between the president, prime minister, and defense minister, recalling that the Supreme Soviet had been the first state institution to raise the question of the futility of the president's dividing up the Black Sea Fleet.

Success is all very well, but we do not yet know whether L. Kravchuk's decision will be backed by the Ukrainian Supreme Council. And even Kravchuk himself, on his return from the talks, was rather ambiguous in his comments on his agreement to sell "part of the Ukrainian" fleet. It has to be said that the conditions for its transfer failed to generate any legitimate sense of satisfaction in Russia either.

Mainly because this part of the fleet has never been Ukrainian.

How are we to explain that Boris Yeltsin, who had previously claimed that the fleet was, is, and would remain Russian, had suddenly decided to buy it back?

Before answering that question we would recall the recent history of the division of the USSR Armed Forces. Its principle was exceptionally simple—everything that is on my territory is mine. As a result, the Carpathian, Odessa, and Kiev Military Districts were claimed by Ukraine. All the Defense Ministry military sanatoriums, leisure centers, and vacation centers located in the Crimea became Ukrainian. Ukraine has not paid Russia a single cent for the state-of-the-art military hardware and weapons currently located in the western military districts, nor for the Black Sea health centers in the Crimea.

Not then, and much less now has any compensation been forthcoming from the Ukrainian economy for the use of the "Russian part" of the armies located on its territory. Hence the variations with the buying and selling of the fleet, but not of the armies. Whereas previously the

USSR used to supply arms to banana republics for nothing in an effort to thereby maintain regimes that were to Moscow's liking, now the USSR's successor—Russia—"disarming" the new sovereign areas at its own expense, is doing everything possible to keep soulmate leaders' heads above water.

God knows, under the same policy we may soon start paying Tajikistan for having Russian border guards defend its frontiers. That is the logic of this decision to buy back the "Ukrainian part" of the Russian fleet.

Ukraine Charged With Taking Russian Gas to Europe

MK0709092893 Moscow SEGODNYA in Russian No.49, 7 Sep 93 (Signed to Press 6 Sep) p 3

[Rustam Narzikulov report: "Unarmed Robbery With Aggravating Circumstances. Ukraine Has Once Again Resorted to Expropriation of Someone Else's Property"]

[Text] A six-fold cut in Russian gas deliveries to Ukraine because of the latter's insolvency ended in the inevitable: In response to "Gazprom's" action, Ukrainian consumers have begun using a pipeline through which gas is exported to Europe. This latest pirate attack reduced pressure in the gas pipeline on the border between Ukraine and Slovakia from 50 to 46 atmospheres and caused a corresponding decrease in gas deliveries to Western consumers. According to a representative of a large European firm, the backlog in Russian gas deliveries reached 23 percent at its maximum. For its part, "Gazprom" bears substantial losses running at millions of dollars as it pays sanctions provided for in contracts with European importers.

However, the actual damage inflicted on the Russian gas industry is much greater than the hard currency fines it must pay—"Gazprom's" business reputation as a reliable gas supplier to Europe is also hurt. Although its partners are well aware of who is responsible for the thwarted deliveries, this understanding will not be taken into account in any way in the severe competition on the European market. Owing to systematic incidents in the Ukrainian sector of the export pipeline, Russian gas deliveries cannot be deemed adequately reliable—a term that is perfectly economic and even price related—since a very distinctive energy resource is at issue. Hence, this will reduce Russia's potential share of Europe's energy market and increase the opportunities for other exporters, particularly Norwegian and Dutch ones. On the other hand, given the uncertain deliveries, "Gazprom" will find it hard to charge the highest possible price for its gas exports because the most important component—the so-called demand charge—will have to be excluded from the price.

All attempts by "Gazprom" to bring its neighbors to their senses have proved futile. According to the company's spokesmen, Ukraine has so far failed to take any steps "to repay at least some part of its debt" but at the same time continues to use the gas destined for European customers.

While the Ukrainian Government formally denounced the practice of gas expropriation, saying it was drawing up a decree giving "Ukrgazprom" the right to halt gas deliveries to debtors, it adopted a "nonintervention" stance in the gas consumers' internal affairs. Pressure in the export pipeline was expected to normalize somewhat on Saturday or Sunday, not because of a reduction in the volume stolen, however, but because Europe's gas requirements drop on weekends.

If Ukraine fails to heed "Gazprom's" demands, the latter will have no other option left but to go to the International Court of Justice in The Hague.

Ukraine's current actions have once again confirmed the need to build as soon as possible an alternative gas pipeline from Russia through Belarus and Poland, an agreement for which was signed during Boris Yeltsin's visit to Warsaw. At the same time, the way Ukraine is easily breaking universally accepted principles of bilateral relations jeopardizes the plan for Russia to buy the Black Sea Fleet. It is known that the fleet is to be paid with Ukrainian debts, primarily for oil and gas, but no one can guarantee that Russia will get the property it is entitled to under the agreement after it fulfills its obligations.

Border Guards' Seizure, Release in Tajikistan Viewed

PM0709124593 Moscow IZVESTIYA in Russian 1 Sep 93 First Edition pp 1, 2

[Valeriy Yakov and Aleksandr Karpov report: "Seized Border Guards Have Been Returned and Will Continue Serving at Their Posts"]

[Text] After 20 days in captivity, four Russian border guards and an officer from Kazakhstan were handed over by the Afghan side to Imamali Rakhmanov, chairman of the Tajikistan Supreme Soviet, during his official visit to Kabul. As we have already reported, the border guards arrived in Dushanbe at 1315 hours 30 August, in an airplane belonging to Rakhmanov, and were immediately taken from the airport to hospital and carefully protected from the press.

The fact that the captured border guards were returned during an official visit by the head of Tajikistan and handed over by the Afghan side directly to him, rather than to representatives of Russia or Kazakhstan, is, of course, no coincidence. Kabul has thus expressed its special atttitude toward Rakhmanov, who is the first head of a foreign state to visit Afghanistan following the coming to power of the mojahedin. The endeavors of the Russian and Tajik diplomats who intently followed the fate of the hostages and actively exerted pressure on official Kabul have also played a positive role. The outcome of this story, which has stretched out over 20

days, is now being greeted with relief that it all turned out alright, but nevertheless there are no particular reasons for tender emotion.

The original information that the border guard troops command had at its disposal, was confirmed: The capture of the border guards was not a chance action by "uncontrollable" bandit formations, but a carefully planned operation which was led from Afghan territory and carried out jointly by mojahedin and servicemen. In this way, the role of peacekeeping card in the political game between Kabul and Tajikistan was most likely determined for the border guards in advance, and they were to become a weighty argument in the talks between Rakhmanov and Rabbani—on the one hand. And on the other hand, they gave Kabul the possibility of emphasizing with whom it is dealing in the first instance when resolving border problems.

Be this as it may, it all really ended peacefully and this is a good thing. But the isolation of the border guards in hospital immediately on their return has given rise to a multitude of contradictory rumors. People have said that they are emaciated, that they are possibly ill or are simply being investigated straight away... We asked Aleksandr Tymko, chief of staff of the Russian Border Guard Troops, to clarify the situation.

According to Aleksandr Ivanovich, the isolation of the border guards was temporary and was done with one aim in mind—to check their state of health. No criminal proceedings have been instituted against them, but of course they had to answer questions by special services staffers.

The fact that Major Sergey Petukhov is setting off for Almaty, where a festive welcome is awaiting him—a special airplane has already come from Kazakhstan to collect him—may serve as confirmation of the temporary nature of the isolation.

Incidentally, Petukhov managed to answer a few questions from journalists even when he had just returned from Kabul. The major assessed the conditions of imprisonment as very good. "We were welcomed like guests... We were invited to stay and collaborate in our professions. But we refused."

Border Guard Privates Yevgeniy Dudnikov, Sergey Prokhorov, Andrey Vorotintsev, and Aleksandr Babushchak will return to their post to continue serving. The command does not envisage that their actions merit urgent compassionate leave [otpusk v kachestve pooshchreniya] being granted. Nor, however, are they to blame for having been captured by armed violators of the border. In this situation, the soldiers were obeying the officer's order—not to shoot, this probably being the only sensible order at the moment when the mojahedin, armed to the teeth, ambushed their vehicle on a narrow mountain road.

Straight after the border guards were captured, they were taken to the settlement of Moy-May on Afghan territory. For the first two days they were kept in a barn, having changed into fairly worn clothing. Then they were taken to normal premises, issued with entirely decent uniforms, and tolerably well fed. After a week, they were transported to Tulukan where they were kept in the Afghanistan Armed Forces Headquarters and guarded by soldiers there, and where the food and treatment did not offend the hostages either.

Between 17 and 30 August, the border guards were at the airfield in Bagram, where they were only guarded at night, while during the day they were left entirely to their own devices. They were fed with vegetables and meat, and they were not interrogated under torture, nor were they encouraged to seek political asylum. On 30 August their clothes were changed once again and they were taken to the presidential palace and given souvenirs—eau de cologne, combs, and other small articles, received warm words in farewell, and were handed over to Imamali Rakhmanov.

Once it had got its servicemen back alive and well, the Border Guard Troops command expressed gratitude to the chairman of the Supreme Soviet of Tajikistan for all the efforts he had exerted to secure their release, as well as to Russian and Tajik diplomats.

Kazakhstan Refuses Accreditation to Correspondents

LD0709135793 Moscow Russian Television Network in Russian 1000 GMT 7 Sep 93

[From the "Vesti" newscast]

[Text] ITAR-TASS reports today that Viktor Chernomyrdin will attend the official opening on 10 September of the Russian cultural festival in Kazakhstan. The text of the report describes the objective of this event. Let me quote what it says: The festival is designed to demonstrate once again that the peoples of Russia and Kazakhstan wish to restore and develop ties in all spheres of public life that have been broken as a result of disintegration processes.

Another report that we received today from our own correspondents in Kazakhstan somehow just does not tie in with the intentions of our people. Kazakhstan's Foreign Ministry has announced that it is refusing to grant accreditation to Russian Television and Radio correspondents for work on a permanent basis in the republic. The Foreign Ministry has not yet given any reason for its decision. However, lawyers specializing in human rights regard this treatment of our correspondents as being contrary to the Treaty on Friendship and Cooperation between Kazakhstan and Russia. One very much hopes that this is merely a misunderstanding that will be cleared up.

Lukin Article on Relations With CIS, West

MK0309122893 Moscow SEGODNYA in Russian No. 48, 3 Sep 93 (Signed to Press 2 Sep) p 10

[Article by Vladimir Lukin, Russian ambassador to the United States, under the "Opinion" rubric: "Russia—in Far and Near Circles"]

[Text] We are perhaps now left with the last chance to extricate ourselves and society from the quagmire of self-torture, reciprocal attacks verging on hysterics, and the sapping of all state offices without exception. We must at long last stop quarreling and destroying. We must summon our strength, rally together, and build—build our home.

When asked what the post-communist ideology is, I usually reply: I think it is an ideology of building a home and running it wisely. A home with a small and capital "h." A home for yourself and your family. A home as your smaller world, the place of your work and your community. A home meaning the region or area where you live. Finally, a home with the capital "H" meaning Russia. Concentrating (by each and every person) on building such a home is a complex process, a hard and multifaceted experience: you have to find the building material and money, while simultaneously finding the home inside your soul, to overcome the Ivan-with-no-home complex, to stop wandering aimlessly among the absolutes, and return to the concrete soil.

This topic is all the more important because questions of Russia's foreign and security policy are going to occupy a very sizable place in the coming election campaign despite society's being so engrossed in domestic—primarily economic—problems. This has already happened, in fact. The current ruling structures are being bitterly blamed for the "breakup of the Union," for their inability to reliably ensure the security of Russia and its people who find themselves in the newly independent states, and for a "one-sided contest" in relations with the West.

Taking objective stock of Russia's foreign policy over the first "500 days" and summing up experience gained in the meantime are necessary not only to build up intellectual muscle in the election campaign, but also to produce a more effective future strategy—a strategy that is both effective and supported by the Russian people. Let me dwell on two important problems, the main trouble spots of the impending elections—the "breakup of the Union" and "the give-away game with the West."

The proposition that the "present leaders broke up the Union" is not true. First, it was mostly broken up under the communist leadership, including during their period of agony under Gorbachev. Suffice it to recall the well-known chain of events: The Baltics, Ukraine, Georgia, then Armenia. Second, the Union in its former shape was doomed historically, and the only issue was which path its remaking was going to take—through evolution or explosion. The problem is that the reserves of an evolutionary path were not completely exhausted. For me there is no doubt that they could have been carried into effect using a skilled approach. The possible alternatives like, say, a blend of the British Commonwealth and the EC (in our original packaging, naturally) would have been much safer for the transition from a unitary state. The option taken, however, was different—the Belovezhskaya Forest one, an explosive one, staked out in one fell swoop not only by the well-known decision, but also by the sluggish reaction to its serious consequences, which were absolutely unavoidable and obvious to any professional from the start. Both revolutionary impatience (a temptation to cut the tight knot instead of assiduously undoing it) and the leaders' personal rivalry, as well as political errors, also played a role there. I am going to discuss them separately because we are not completely free from them yet.

All the difficulties and failings (including tragic ones) of the sudden secession affecting borders, the army, the economy and finances, a single legal and democratic space, and a single science and culture seem to have been colossally underrated. Finally, there is the future of Russia itself, which has always been both a territory and a nation. This underrating, in my view, was due to some romantic peculiarities of the radical-democratic mindset that keynoted our initial policy.

The hope that disarming our new neighbors by being kind and magnanimous and counting on their eternal gratitude for having freed them from the yoke of the "imperial center" and the belief that they could only love a repentant Russia led by democrats who broke with the "accursed past"—that all this would lead to a new close-knit family of independent sovereign democratic states that would quickly and easily materialize on the entire post-totalitarian space of the former USSR—ran counter to historical experience and was unrealistic. Much as should have been expected, reality proved much tougher: self-interest instead of gratitude, militant anti-Moscow sentiments instead of new affection, old suspicions harking back to the Soviet and more distant past, and sharp contradictions and conflicts instead of universal fraternization. And, sometimes, also outright cheating (the latest example is the demarche to Lithuania involving the bilateral agreement). We sobered up in time but wasted much time and many opportunities when you consider that relations with the West at first took the front seat in foreign policy while we neglected our main problem—the problem of our neighbors, the problem of the near, internal circle of Russia.

In particular, no serious attempt was made to coordinate economic reforms in our countries, to create—not just in words but in structures—a single economic space (something attempted by G. Yavlinskiy and others and consigned to "criticism by mice"). There was a clear delay in creating Russia's own army, in protecting the Russian-speaking minorities in the adjoining countries—this became the domain of the "national-patriots." There was no mechanism providing for urgent analysis and resolution of conflicts between the countries of the "near

abroad" (no room was even provided for this purpose in the Foreign Ministry or the Security Council). Instead, sporadic, one-day summits were held in whose wake issues that seemed to have been resolved became hopelessly "suspended." Policy increasingly lagged behind events. One of the latest examples is the bloody raid on the Russian border post on the Tajik-Afghan border. Was it really difficult to foresee and to prepare for—especially given our Afghan experience—retaliatory actions by the Islamists after their expulsion from Tajikistan?

As a result of the government's latest efforts, the priorities and style of our policy—primarily in the economic sphere—have begun gradually to turn toward realism and common sense. Integration sentiments in the spheres of economy and politics, and even security, have simultaneously started to grow under pressure from the grim reality among our close neighbors after the initial euphoria of boundless autocratic independence. All that is now creating conditions for sharply stepping up our efforts to ensure Russian interests in the near abroad. True, launching joint actions now would be much harder given greater disorder, economic recession—50 percent of which is attributed to this disorder—and multiple social problems.

Russian strategy in the CIS provides for several options that should be decided on as soon as possible. The first one is neo-isolationism, which is essentially a logical continuation of the very same radical-democratic romanticism whose hopes for an idyll of a new internationalism collapsed ("Ah, if that's the way you will have it, we are leaving"). In both cases emotions prevail over reason, and political affectation prevail over an ability for routine statesman's work. What would be the real significance of Russia's leaving Central Asia and the North Caucasus? First, changing the border involves multimillion costs. A more important price to pay is political—new borders would cut through the Russian-speaking population (primarily in Kazakhstan's north) with all the unpredictable consequences. Second, removing the Russian presence and influence from there would mean denuding the strategic approaches to the very heart of Russia, creating in this critically important space a strategic vacuum that would be filled by other forces possibly hostile to Russia.

Third, this would mean leaving to the mercy of fate the weak, fledgling political regimes in the neighboring countries, to virtually doom them to chaos or authoritarian-nationalist degradation. Even forgetting about morals, this would be damaging to the interests of Russia. It can hardly survive as a democracy amid the chronic instability and political turmoil that would poisonously seep into the Russian space through many avenues—border conflicts, streams of refugees, political influence on the provinces, etc.

No less dangerous is, of course, a "national-patriotic" variant to the solution of the CIS problem—an attempt to restore in one form or another the "Russian-Soviet empire." It is unthinkable either technically, without prohibitive sacrifices and costs, or politically because Russia would then find itself in a hostile isolation even more dangerous than the one of the Cold War era, if one considers the new alignment of forces and our changed geopolitical situation.

All this says nothing about whether this variant is compatible with preserving democracy in Russia. Happily, Russia does not need this variant: as far as the past is concerned, we need security and economic ties rather than a unitary state. Anyway, the past can only be restored in a slumber or a dream. This does not happen in politics or history.

A real solution to the whole package of the "near abroad problems" as far as Russia is concerned is striking a complex balance between at least the three factors: Russia's legitimate interests in this space, Russia's realistic chances to realize them, and the interests of our neighbors and partners.

A common formula for this balance can be the system of "neighborliness," long tested everywhere in the world, especially in America. It, however, implies not simply abstract good relations between neighbors—as is often imagined here in this country—but a rather definitive system of mutual obligations between big states and their smaller neighbors, who receive guarantees of security in exchange for their recognition of the "big neighbor's" special interests and influence in proportion to its geographical proximity, strategic, and economic weight. This system of "soft" strategic leadership by Russia in its special interest zone may prove acceptable both to our new neighbors and major partners in the West and East, provided of course that it has been constructed flexibly and ably.

This is a matter requiring many years and involving many things we cannot manage either today or even tomorrow. However, in order to be able to manage them the day after tomorrow, the necessary prerequisites should start to be created today while still retaining these new countries in our area of influence.

The immediate task here is to settle and prevent armed conflicts, to protect the Russian-speaking population, and then to convert this zone, on a collective basis, into a belt of mutual security. The long-term ultimate task here is to create, by stimulating the natural integration processes rather than by compulsion, close allied relationships of a confederative type. Russia needs to have an internal ring of friends in addition to an outer ring of partners.

The level of our relationships with friends should as a rule be qualitatively higher than that of our relationships with our partners, and the level of relationships of our partners with our friends should be qualitatively lower than that between us and our friends.

This hierarchy should not stress form but substance and contents; it should be based on reality and be achieved

mainly by positive, that is, political and economic means. There should also be a mechanism in place—ideally a collective one with a Russian basis—for resolving extreme situations with the use of force a factor. The more convincing this factor is, the less it would have to be resorted to.

Finally, the formation of such a community of states in a democratic Russia's zone of natural gravity would not only promote security and economic progress for all its members, but also their orderly and joint entry into the world community, as opposed to a humiliating crawl or forced drag into it one as a form of reward, or on the contrary, not being dragged into it as a form of punishment.

As for our relations with the West, the principled line of the top Russian foreign policy officials toward finally overcoming confrontation and achieving rapprochement with the West has undoubtedly been correct. This has helped retain a positive continuity regarding our policy of the late 1980's and given it a serious boost. Unfortunately, inertia and continuity have also been retained with regard to the haste in giving in without bargaining for reciprocal concessions. Apart from a lack of professionalism, this trend has also demonstrated the aforementioned romantic features in the radical democrats mentality. They firmly believed and loudly asserted that once Russia "renounced the old world," knocked communism off its feet, and took on the role of the United States' obedient ally, the thankful and generous West would at once introduce its profligate daughter to "the Western world," and in any event it would not let us down, but would drag us ashore where the land flows with milk and honey. When it turned out that life is not quite like this, they scrambled to make belated adjustments to this policy, but dual damage has already been done: pampered from the outset by easy life with a new Russia (and even earlier by Gorbachev and Shevardnadze), our Western partners proved unprepared for an independent Russian policy, and a part of our public offended by the absence of the promised Western assistance has turned away from the West and even started seeing it as the main cause for our woes. Anti-western and especially anti-American sentiments are in vogue once again and have become a political reality that hinders reasonable policy making. These sentiments have been widely exploited by the forces of the past, which have been calling on the country to make a new "cold war" with the fatally hostile West, which is haunted by the desire to ruin Russia.

This is a war that we are, first, incapable of waging, and, second, do not need whatsoever to pursue our real interests.

The satanic West as presented by our communists and the right wing is an ideological myth just as the ideal West of our romantic democrats; the latter have been lying about it out of ardent love no less than the former did out of animal hatred. The actual West is a complex web of fairly egotistical calculations and apprehensions regarding us. These include:

—not to allow too close a reintegration of the CIS or the restoration of a kind of "Soviet empire" or "Soviet threat" on this basis;

—at the same time, to avert collapse, chaos, and dangerous instability throughout this space;

—to assist in setting up democratic structures on a purely national basis;

—to liquidate nuclear chaos and to prevent the spread of nuclear weapons;

—to achieve all this at minimum financial and political cost by not doing anything beyond the absolute minimum or anything that is burdensome for domestic policy reasons.

This set of interests is far from being always contrary to those of our own and in many instances corresponds to them. By sticking with the strategic course I outlined earlier, we will not fall out drastically with the West unless we revert back to a dictatorship. There will be some periods of chilliness, which is fairly natural. Most importantly, we should not fall into verbose and confrontational hysteria, but we need to keep explaining, persuading, and moving our own way. If we are strong, everyone will recognize us as such, and some will even pretend to love us.

Another conclusion to be drawn from this is that we have to rely on ourselves above all. Let us finally become realistic—we should not expect any lavish aid (Tokyo appears to have been a culmination of these efforts); moreover, we are unable to make use of what little aid we have. What we need most from the West is the recognition of our legitimate interests in "the near abroad" (preferably with any assistance it can provide in integration processes under way there) and the removal of obstacles preventing Russia from full participation in world trade and economic cooperation. This cooperation will require from us much greater sophistication and consistency in defending our trade and economic interests. Our own firsthand experience has already shown that a political partnership with the United States or other Western countries by no means rules out severe competition in trade and economic relations. One has to be ready for this. In this respect we will not be able to persuade any one by begging. Hence, we need to act on our own and aggressively.

If, however, Russia is to achieve any serious success in this business that is historically new for our country, it will need something more than just a knowledge of the subtleties of world trade and proficiency in economic diplomacy. What it needs is a national willpower that is set forth in a long-term national strategy and reflected in clear, thoroughly thought-out actions of an efficient and cohesive leadership. This is the main secret of the startling success stories of postwar Japan and later of the

"Asian tigers," which have managed to subordinate everything to a single overriding objective of conquering foreign markets, progressing gradually from low-tech export "niches" to ever higher ones.

Our resources and human capacities are much greater than those of postwar Japan only, of course, if we maintain the unity of our country and ensure at least some security outside and law-and-order inside. As for national willpower and a single-minded team of governing statesmen, these things are woefully lacking. Without strengthening "the rear" of our foreign policy—its strategic backbone provided by the state— neither ideas, even the best ones, nor tremendous resources will help us achieve success in the international scene. In this respect, Russia's reasonable and strong foreign policy does indeed "begin at home." So, restructuring the Russian house, constructing new good neighborliness, and forging mutually advantageous partnerships with countries of the West and the East—these are the basic priorities of our policy that are closely intertwined with one another.

And one last point—on public support for this policy. We do not have any hidden secrets here. People have enough common sense to figure out where they are being dragged by all sorts of advocates of Russian interests. This is why they are skeptical about the romantic illusions of the radical democrats and have so far not taken the bait of the radical nationalists' alternative. Demand for a reasonable foreign policy is immense, as it is for a domestic one. If broad support is to be won, the policy has to be aimed substantively at defending the interests of the majority of Russians and be stylistically intelligible and consonant with their sentiments.

This majority is squarely at the center. What they want from their government are simple and understandable things: they are little concerned about human rights in Tibet or the difference between the left wing and the right wing in Peru—although for me these issues are of importance—but they are very much concerned about the plight of their relatives and friends who have found themselves outside Russia; they are not overly eager "to make the world safe for democracy," but they are very much troubled by the security of Russian borders; they give much more thought to domestic disarmament than to international disarmament, wishing that submachine guns would finally cease firing in the streets where their children play. They do not curry favors with the West, nor do they threaten it with revenge; they do not assume a holier-than-thou attitude, nor do they want to be considered worse than any one else; they are not against joining the world community, but they prefer to do this not by crawling on the belly, but by retaining the sense of dignity that behooves a great people with a great history and culture. Let us stick with this policy that is natural for Russia; then it will be accepted both in the country and in the world. And then our people will start respecting us.

Kozyrev on Ties With Eastern Europe, Baltics

AU0709092893 Warsaw POLITYKA in Polish 4 Sep 93 pp 1, 14

[Interview with Foreign Minister Andrey Kozyrev by Zdzislaw Raczynski; place and date not given: "We Do Not Want To Alter Our Geography"]

[Text] [Raczynski] Two years ago, when you were still RSFSR foreign minister, you presented a concept of "three spheres of good-neighborly relations," and mentioned three groups of countries that have the greatest importance for Russia. The first group consisted of the former Soviet republics, because they are the foreign countries closest to Russia; the second consisted of highly-developed countries in the northern hemisphere (Japan, Western Europe, the United Sates, and Canada); and the third sphere consisted of the southern hemisphere, from the far East to China. This concept has pushed Central and Eastern Europe into the sidelines, a region that played a key role in USSR foreign policy. So what place does this region occupy in Russian foreign policy nowadays?

[Kozyrev] I do not think we have pushed Central and Eastern Europe to the sidelines. The countries of this region have never been outside Russia's sphere of interest. In fact, we have been inclined to include them in the first group of countries on account of their geographical proximity and traditions, and the centuries-old links between these countries and us. The aim of our policy toward Poland, the Czech Republic, and Slovakia has been to preserve the existing infrastructure of mutual relations, while at the same time altering the foundations on which these relations rest. The point is to impart to our relations a democratic nature that rules out any diktat or unfair treatment.

[Raczynski] Two difficult years for Russia have elapsed, involving the construction of a Russian statehood and the search for a new place in the world. Was this a period of "concentration" ["sosredotochivaniye"]—to borrow a term used by Minister Gorchakov in the 19th century and now popular among the Russian opposition—or has Russia already concentrated itself and proceeded to more energetic actions?

[Kozyrev] Using a historical term to describe present Russian foreign policy is justifiable only because Russian foreign policy really is assuming an original and independent tone. For the first time in at least 70 years, Russia can pursue independent, open politics, without being "introverted," and without being isolated by cordons sanitaires and iron curtains. Our opposition is dreaming of this kind of introversion and isolation from the hostile surrounding world, in order to make society feel it is living in a beleaguered fortress. For only in such conditions can one implant the insane ideas of communism, neocommunism, and xenophobia.

Democratic Russia is pursuing a policy of openness to all directions. We have no reason to shut ourselves in. Our

aim is to create the best possible external conditions for the solving of domestic problems. However, the opposition wants to impose the concept of "being shut in," on the pretense that the outside world is hostile.

[Raczynski] In that case, how would you explain the increasingly sharp tone of statements by the Russian Foreign Ministry, for example on the subject of the Baltic countries, Estonia, and Lithuania?

[Kozyrev] Our policy of openness and equal treatment for all countries is encountering difficulties. Joining international society requires the fulfillment of two conditions.

First, we must perform certain actions so that our surrounding world does not view us as a closed, aggressive regime like in the Soviet Union. Therefore, a democratic nature of the Russian state and its openness are conditions necessary for us to join the normal world. This openness must apply to all geographic directions, because we are a Eurasian state and it is simply useless to consider any eastern or western bias in our politics. For example, China is as close a neighbor as Poland.

We have already fulfilled these legal conditions, and are recognized by the world as a normal partner. But now comes the time to actually implement this policy and enter into bilateral relations with specific countries. If the Baltic countries do not want to hold fair talks with us on the pullout of the Russian forces, then we are forced into unilateral actions. The Russian forces will be withdrawn, of course, but at a time and under conditions determined by us.

We have concluded an agreement with Poland and have established dates for the pullout of the Russian forces. The pullout process is proceeding normally, on schedule. The pullout is even going to take place ahead of schedule now. In conditions like this, the pullout of forces is easier and more efficient, and suits civilized standards. But if the Baltic countries assume that the Russian forces will leave in any case and that talks are superfluous, such an attitude puts us in a difficult situation.

[Raczynski] Vilnius views the problem differently.

[Kozyrev] We reached full agreement with Lithuania. Now, all of a sudden, Vilnius is putting forth absurd new demands to which Russia will never agree. We will never agree to pay compensation for all the years that these countries belonged to the USSR. What has Russia to do with this, especially a democratic Russia led by politicians who helped the Baltic states gain their independence?

Of course, we would prefer to reach the same kind of agreements with these countries as the ones we have signed with Poland, Czechoslovakia, or Germany. If they do not want to sign such agreements, too bad. That is their business. If the other side does not want an agreement, we will withdraw our forces without it, though in such a case the withdrawal will take more time.

Our statements do not conceal any change in policy. This is not a return to the old imperial policy and our old practices. We suggest that every country accepts a principle that is in force all over the world, i..e. that mutual relations should be based on the law and on understanding.

[Raczynski] What do Russia's size and nuclear power status mean to the independent countries formed out of the former USSR? What are the limits of Russia's responsibility for this area?

[Kozyrev] The fact that Russia has renounced imperial policy does not mean we are not aware of obvious facts, such as the fact that we are the largest state in the Eurasian region, that neighboring countries are linked to us economically, and that we bear particular responsibility for the situation on post-Soviet territory. As successor to the USSR, we have joined the CSCE and made an effort for all the newly-independent countries, including those in Asia, to join it as well. We did not do this out a desire to alter geography. Russia's role is to establish civilized CSCE principles in the post-Soviet territory, because this fully conforms to our interests.

Let us take the Baltic countries as an example. Respect for human rights in these counties is important to us not only because of the Russian population there, but also because any ethnic tension could create hotbeds of conflict. If for example the Estonian authorities do not stop discriminating against the Russians and continue treating them as foreigners, these people will behave like foreigners, and sooner or later they might create an autonomous region or even want to secede from Estonia. There could be a repetition of the situation in Abkhazia or the Dniestr region.

Such a situation would be unfavorable and dangerous to Russia. We are concerned about openness and a flow of ideas, people, and capital. Above all, we are interested in establishing democracy on the entire post-Soviet territory. A market economy can develop only under conditions of democracy and in democratic surroundings. That is our main interest. We have no others.

[Raczynski] Does the appearance of alliances like the Visegrad alliance along Russia's western border or the recurrent idea of a Baltic-Black Sea pact not arouse fears in Moscow that these alliances will interfere with Russia's European integration?

[Kozyrev] The countries of Central and Eastern Europe are facing a certain alternative. One possible way for them to behave is to repeat the mistakes of history and form alliances against other countries. They could for instance rekindle past fears of Germany or Russian strength, create something like the old Little Entente and attempt to act as a fulcrum between Germany and Russia, and exploit the differences between them. This course of action has never been successful, because it has made the countries of this region like playing cards in contests between stronger countries, and these countries have suffered from this.

A far more successful way for these countries to behave is to act as a link or bridgehead between two strong political and economic organisms. This is all the more important today because Russia and Germany have changed completely. This is no longer the Russia that acted as a policemen of Europe for hundreds of years, and Germany is no longer the Germany that Bismarck united with blood and iron.

Democratic Russia, democratic Germany, and democratic Western Europe constitute a unique historic chance for all the countries concerned. They should not develop into a Little Entente, which could be crushed to pieces with any European development. Instead, they should act as a link. The existence of two great spheres—Russia and Western Europe—gives the countries of Eastern Europe the chance to become friends and allies of their great neighbors, because these neighbors are not aggressive any more. The area between Russia and Western Europe may become a positive, democratic factor of stability and constructive cooperation. If any careless attempt is made to shift the balance toward the west, Russia could become isolated, and thus be lost to the democratic world. Neo-imperialist, nationalist forces could be revived in Russia, forces which might consider taking revenge for historical developments. If nationalist forces do emerge victorious in Russia, NATO will once again oppose Russia, and Central and Eastern Europe will find itself in the middle of two hostile camps, each of which will direct its strength against the the territory in between.

That is why a lot depends on Eastern Europe, including the newly- independent countries. The countries of this region possess exceptional geopolitical importance as an element that consolidates Europe and strengthens s the democratic trends in Russia. Joining NATO will alter neither geopolitics in general nor the situation of these countries in particular. What it will do is reactivate revanchist forces in Russia itself. These forces are very suspicious of NATO.

The existing European institutions form a sufficient basis for the Central European countries to pay a historic role. Their active participation in the CSCE process may be a key element in world politics.

The different speeds with which individual countries are integrating with Europe is quite normal. For example, Poland belongs to the Council of Europe, which not only fails to rouse our concern, but even pleases us, because it strengthens the democratic processes in Poland. It is highly significant that the center of CSCE democracy has its seat in Warsaw, the city that gave its name to the Warsaw Pact, a factor that divided Europe. That is Poland's proper role. Central and Eastern Europe may also help Russia consolidate its democratic changes and help NATO find a new formula for action. Just like other countries in this region, Poland should play an independent role between the two political spheres and encourage their rapprochement, consolidation, democratization, and transformation. Kindling old fears of Russia and Germany and seeking solutions by joining NATO or reactivating something like the Warsaw Pact means digging up old ideas that smell of moth balls and have no prospects. Fear is a bad adviser. Eastern Europe should not be drawn toward spheres of influence, whether NATO or Russia.

[Raczynski] How do you think our countries will cooperate? In Poland and in Russia, there is no shortage of people who are skeptical about the possibility of cooperation.

[Kozyrev] Poland and Russia have enormous possibilities of cooperation that have been little used so far. I am sure this potential of cooperation will be exploited, especially regarding economic cooperation, in which mutual interest will increase in line with the strengthening of the Polish market economy and the improvement of the Russian economy.

One such possibility is the dynamically developing cooperation with Kaliningrad Oblast. Thus is important for Russia because it serves as an example of harmonious cooperation between various countries now that this oblast is no no longer dominated by any one of them. Poland's economic presence in Kaliningrad is necessary in order to prevent it from being monopolized by any economically strong country. Any attempt to monopolize this oblast could turn it into a bone of contention. But if various countries invest in this area, such as Poland, Germany, and the Scandinavian countries, this will encourage its economic development and also boost regional confidence.

Cooperation in the Baltic region is also important. We have common interests there. Poland and Russia are concerned about improving the environmental situation in the Baltic and turning that sea into a zone of trade and cooperation, so that no one will ever beat a path to the Baltic by force, as Peter I was forced to do.

Polish diplomacy may be proud of the fact that it was the initiator of the strategy of cooperation in the Baltic region, a strategy that permits us to proceed to the future without summoning the ghosts of the past. I was pleased that Foreign Minister Skubiszewski concurred with this view during his Russian visit in October 1991. It was included in the declaration that was signed at the time. By the way, this was the first international document that I have signed as Russian foreign minister. This declaration has lost nothing of its validity.

Of course, certain friction and concrete problems still occur. Good-neighborly relations do not mean constant unilateral concessions or the "brotherhood" of the socialist era, slogans that disguised the former subjugation. Today we are glossing over nothing. We are discussing everything as equal partners, seeking the solution to emergent problems. Partnership and support in democratic changes are a form of relations that suits both sides well.

Russia is interested in a strong and democratic Poland. Objectively speaking, I believe that Poland is also keenly interested in a stable and democratic Russia.

Kozyrev, FRY Foreign Minister Discuss Peace Talks

LD0709140393 Moscow ITAR-TASS World Service in Russian 1318 GMT 7 Sep 93

[By ITAR-TASS diplomatic correspondent Sergey Ryabikin]

[Text] Moscow, 7 Sep—The Russian side considers that the talks proceeding in Geneva and opportunities for establishing peace in former Yugoslavia have not exhausted themselves, and that it is important not to drag out the ensuing pause. This was stated by Russian Foreign Minister Andrey Kozyrev after today's talks with Vladislav Jovanovic, the foreign minister of the Federal Republic of Yugoslavia

All sides, the Russian minister continued, could use the present pause for consultations and to take steps to meet each other half way, in particular on the territorial question. It is also important to implement a policy of respect for human rights. Russia, for example, A.Kozyrev stressed, cannot allow itself to take the road of ethnic cleansing, since the Russian-speaking population in other republics of the former Union would become the target of reprisals. "For Russia, this question is one of principle." There is a possibility that the Serbian, Croatian and Muslim sides alike have achieved the main result, which, the minister considers, consists not in holding on to particular seized territories, but in holding on to the chance of a peaceful settlement.

Vladislav Jovanovich gave the assurance that the Federal Republic of Yugoslavia would do everything incumbent on it to continue the Geneva peace-seeking attempts in a spirit of compromise. His republic would like to obtain the quickest lifting of international sanctions, declared by the United Nations, which he said do not serve the establishment of peace.

Impact of Poland's NATO Membership Pondered

PM0309134193 Moscow PRAVDA in Russian 1 Sep 93 p 7

[Vladimir Peresada report: "Invitation to 'New Yalta'?"]

[Text] Brussels, 31 Aug—Is there a real prospect that in the foreseeable future the North Atlantic alliance, which comprises 16 member countries, could widen its membership? Boris Yeltsin's recent visit to Warsaw, which culminated in a communique in which the Russia side expressed "understanding" of Poland's intention to join NATO, has provoked a torrent of commentaries on this score in West Europe.

This stance came as a real surprise to observers, who mention that literally a few days earlier, the Russian foreign minister had called the Polish plan "digging up an idea that reeks of mothballs." They note that this contrast is further accentuated by what Warsaw perceives as the "extremely civilized" approach of Russian Defense Minister Grachev to this problem, and by Yeltsin's commitment to shorten by three months the schedule for the withdrawal of Russian troops from Poland.

Virtually no one here attributes this "transformation" to motives connected with bilateral relations. For instance, Brussels LA LIBRE BELGIQUE believes that the explanation is totally different—it is a gesture aimed at the North Atlantic alliance and the West as a whole. From this angle, the newspaper writes, Moscow's move takes on the character of a silent invitation to a "fair division of geostrategic zones of influence."

What does this mean? In the newspaper's opinion, on the one hand this step could substantially raise the chances of reintegrating Ukraine and Belarus in the "military-political area" that is beginning to take shape in the CIS, and to which they—especially Kiev—are feeling obviously "allergic." On the other hand, just as tacitly, it enables the establishment of an "acceptable" limit to rapprochement between the Baltic countries and the West.

And in the following context. It is reasonable to expect, LA LIBRE BELGIQUE writes, that Poland's possible admission to the North Atlantic alliance will provoke a chain reaction (of the admission of new members into NATO—V.P.), as a result of which its geopolitical zone would be extended to the borders of the former USSR. This prospect undermines Ukraine's ambition—to which Moscow is very ill disposed—of creating a bloc with the Baltic and Black Sea states. In addition, Ukraine is bound to say goodbye to its hope of playing the NATO card against what Kiev calls Russia's "imperialist pretensions."

Surely another Yalta is not a prospect? If so, it is a petty and "self-damaging" one when compared to the system of relations in Europe which emerged as a result of the victorious results of World War II. They kept on kicking it, our "reformers," until they destroyed it, proclaiming virtually a unified European area in its stead. But in the upshot, there is neither "unity" nor an "area," but only an internecine squabbling, creating conditions for possible attempts to redraw the spheres of influence in "pacified Europe."

And how does NATO see "Moscow's gesture"? So far there has been no official reaction. The NATO press secretary stated that "the organization has taken notice of the declaration reported by the press." But at the same time he recalled (and several newspapers over here do not believe that this reminder was "innocent") that "the alliance is working on strengthening links and relations with its partners on the North Atlantic Cooperation Council "

On the other hand, the chairman of the North Atlantic Assembly, which unites parliamentarians from the alliance member countries, has issued a clear and definite statement. Although the assembly is not a controlling authority, its opinion is heeded in the elaboration of decisions in NATO. And the gist of the statement is so symptomatic that it is undoubtedly worthy of attention.

Assembly Head L. Bouvard, this document says, welcomes as "very constructive" the understanding expressed by the Russian president as regards Poland's membership of NATO. Noting that "the biggest obstacle on the road to extending the alliance" is thereby removed, Bouvard stresses: We would respond positively to the swift entry, not just of Poland, but also of the other new democracies, including the Czech Republic, Hungary, and Slovakia, as the first group of new allies.

It cannot be ruled out that this could be the beginning of the approach of NATO's geopolitical zone to the borders of the former USSR, which the press over here is forecasting.

Lech Walesa Invites Yeltsin To View Withdrawal

LD0709211993 Moscow ITAR-TASS World Service in Russian 1035 GMT 7 Sep 93

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow, 7 Sep—Army General Pavel Grachev, Russian minister of defense, today received Stanislav Ciosek, ambassador of the Republic of Poland in Russia, at the latter's request. An ITAR- TASS correspondent was told at the Russian Federation Defense Ministry's Information and Press Directorate that the ambassador conveyed to Pavel Grachev an invitation from President Lech Walesa to visit Poland in the second half of September, in connection with the completion of the withdrawal of Russian troops from its territory.

It was also proposed that questions of bilateral cooperation in the military sphere be discussed during the course of the forthcoming visit.

Primakov Visits Poland, Meets Leaders

PM0609102593 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Sep 93 p 5

[Untitled report by unidentified ITAR-TASS correspondent from the "Inform" column]

[Text] As learned by an ITAR-TASS correspondent, Yevgeniy Primakov, director of the Russian Federation Foreign Intelligence Service [FIS], was in Warsaw recently. The FIS leader held meetings with Polish Internal Affairs Minister Andrzej Milczanowski and the leadership of the state security agency. The Russian FIS leader was received by President Lech Walesa and Chairman of the Council of Ministers Hanna Suchocka.

NATO Representatives Visit Khabarovsk

LD0409165893 Moscow ITAR-TASS in English 1640 GMT 4 Sep 93

[By ITAR-TASS correspondent Svetlana Ivanova]

[Text] Khabarovsk September 4 TASS—A far eastern tour of NATO representatives aims to search for new approaches to provision of European and regional safety and upgrade military-political stability.

Today the representatives arrived in Khabarovsk from Vladivostok to meet heads and deputies of the territorial council. The visitors informed the meeting of current NATO activities and tasks and inquired about the economic, social and political situation in the Russian Far East.

The discussion dwelt on conversion and reduction of armed forces, support to dismissed servicemen in their civilian training and adaptation to new life. A deputy NATO permanent representative (Netherlands) stressed the era of confrontation has ended to give space to interaction between previously-confronting states.

The visitors said their interest to the far eastern region is explained by the fact the notion of security is global.

G-7, EC Embassies Set Up 'Group To Aid Russia'

PM0809082393 Moscow ROSSIYSKIYE VESTI in Russian 3 Sep 93 p 1

[Unattributed feature: "Executive Branch Monitoring"]

[Text] **International Ties**

The inaugural session of a group to aid Russia has been held in the residence of the Japanese ambassador in Moscow. The group includes senior staffers of embassies of the G-7 countries and the EC Commission. ROSSIYSKIYE VESTI's correspondent was told by Yuichi Kusumoto, minister at the Japanese Embassy who will head the group through the end of this year, that its main task is to give assistance in organizing the efficient utilization of the $3 billion set aside by decision of the heads of the leading economic powers at the time of their recent meeting in the Japanese capital.

According to Yuichi Kusumoto, Vice Premier B. Fedorov promised the group assistance from the Russian Federation Government.

German Firms To Expand Investment, Cooperation

LD0509100393 Hamburg DPA in German 0734 GMT 5 Sep 93

[Text] Moscow (DPA)—Germany's largest industrial company, Daimler-Benz AG (Stuttgart), wants to increase its turnover in Russia to 1 billion German marks [DM] within the next two years. This was announced by Daimler-Benz chairman Edzard Reuter in

Moscow today at the start of his visit to several CIS countries. Reuter told reporters that he discerns "extensive and promising opportunities" in Russia in the long term for the Stuttgart concern and its whole range of products, from car manufacture through railways to space projects.

In the current business year 1993, the firm's turnover with Russia will be about DM 500 million. Most business at the moment—DM 400 million—still comes from the motor vehicle section, represented by its car subsidiary Mercedes-Benz. A licence to manufacture Mercedes buses has now come into effect at the Russian Avtrocon bus manufacturing plant in Golitsyno, near Moscow. It is geared to the annual production of 2,500 buses. So far, engines, gearboxes and axles have been provided by German Mercedes plants.

According to Reuter, the space subsidiary, Deutsche Aerospace AG (Dasa/Munich) has entered into several important cooperation projects with Russian partners. Dasa managers at the Moscow air show spoke today of a cooperation project with Tupolev scientists for the development of hydrogen-fuelled aircraft. Dasa is developing with another company a space suit for astronauts for work outside the space capsule. Dasa has also concluded a cooperation deal in the environmental field to develop a monitoring system for nuclear power stations. Dasa expects to do good business in the field of satellite-assisted telecommunications and navigation in particular. Promising cooperation agreements exist in this field too, Reuter said.

The Daimler-Benz chairman regards his trip to Moscow and then on to the CIS states of Kazakhstan, Uzbekistan, and Turkmenistan as "a signal of confidence" in countries undergoing radical change. However, there are still many problems today in that decisions are being implemented too slowly. The conditions for joint ventures and investment could also be further improved, Reuter noted.

German Naval Squadron Visits Kaliningrad

WS0609161693 Tallinn BNS in English 1004 GMT 6 Sep 93

[Text] Baltiisk, Kaliningrad region, Sept 06, BNS—A squadron of auxiliary ships from the German Navy arrived Friday [3 September] at Baltiisk, the Russian Baltic Fleet's primary naval base the Kaliningrad region, for a three-day visit.

The group includes supply ships, tankers and rescue boats.

The visit features meetings between German and Russian naval commanders, the delivery of medical aid and a ceremony honoring German soldiers who died in Kaliningrad during World War II.

Captain Klaus Kinast, the commander of the German squadron, said the participation of a Russian warship in NATO's Baltic Sea maneuvers this summer was a "positive moment in relations between the Russian servicemen and the NATO bloc."

The captain said he hopes that there will be more cooperative military excercizes in future.

ROK General Visits Tank Division

LD0709213093 Moscow ITAR-TASS World Service in Russian 1044 GMT 7 Sep 93

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow, 7 Sep—General Yi Yang-ho, chairman of the joint chiefs of staff of the Armed Forces of the Republic of Korea, who is in Russia on an official visit, today visited the guards Kantemir Tank Division. He was shown how the personnel live and work, viewed combat equipment and weapons, and also attended firing preparation exercises. An ITAR-TASS correspondent was informed of this at the Russian Defense Ministry's Foreign Relations Directorate.

General Yi Yang-ho is expected to fly to the far east on Thursday where he will be shown the life and work and combat training of unit personnel and vessels of the Pacific Fleet.

South Korea Not Planning To Buy Russian Weapons

LD0809081893 Moscow ITAR-TASS in English 0736 GMT 8 Sep 93

[By ITAR-TASS correspondent Ivan Zakharchenko]

[Text] Seoul September 8 TASS—"South Korea does not plan to buy Russian weapons, but it believes the promotion of bilateral military exchanges, which have so far been purely symbolic, are quite promising," ITAR-TASS was told today by Chief of the External Policy Department of the South Korean Defence Ministry Ko Kyon-suk.

"Military relations," he said, "always lag behind the development of contacts in the political and economic spheres, and they are now still at the initial stage." He referred in this context to last week's visit of a squadron of warships of the Russian Pacific Navy to the South Korean port of Pusan and to the current stay in Russia of General Yi Yang-ho, chairman of the joint chiefs of staff of the South Korean Armed Forces. The exchange of such unprecedented visits, and also the forthcoming visit to Vladivostok of a South Korean naval squadron, expected to take place at the end of September, were made possible by last year's memorandum on mutual understanding regarding the development of relations between the Defence Ministries of the two countries in 1993, signed in Seoul.

"The current exchanges testify to changes that have occurred in north-east Asia after the end of the Cold War. They can be regarded as a step to ensure peace and

security on the Korean peninsula and to preclude possible armed provocations by North Korea," Ko Kyon-suk believes. "At the present time," he said, "the Seoul government is discussing plans to expand such exchanges in 1994. They will be discussed jointly with the Russian side."

Foreign Ministry Official Denies 'Pause' in ROK Ties

LD0709134693 Moscow ITAR-TASS in English 1321 GMT 7 Sep 93

[By ITAR-TASS diplomatic correspondents Boris Krivoshey and Sergey Staroselskiy]

[Text] Moscow September 7 TASS—The main result of recent Russian-South Korean consultations, which have become regular, is confirmation of the fact there is no pause or regress in bilateral relations, head of the Russian Foreign Ministry's information and press department Grigoriy Karasin told a briefing here today.

In his words, officials from the South Korean Foreign Ministry "have refused to acknowledge reports of some South Korean newspapers to the effect". The Russian-South Korean relations have been gradual and at high political level.

"They are friendly and based on common democratic values and interests, including those in provision of the non-nuclear status of the Korean peninsula. That is why, speculations on alleged recession in Russian-South Korean relations are ungrounded," said Karasin.

Reports on the alleged decision of the South Korean Government to stop credit cooperation with Russia and abstain from the issuance of the 1.5 billion dollar credit share do not correspond to the reality as well, he noted.

"Our representatives were assured during Seoul consultations, an official decision to the effect has not been taken. Thus, such reports are premature," stressed Karasin.

Burbulis Denies Japan's Hosokawa Gave Him Message for Yeltsin

PM0809085993 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Sep 93 p 7

[Nikolay Tsvetkov report: "Burbulis Enrols as Japanese Specialist"]

[Text] Tokyo—Diplomacy like medicine has its folk remedies. They are brought to mind when patented drugs are either inadequate or ineffective. Evidently, the situation that has taken shape in Russo-Japanese relations is just such a case. At any rate that is the conclusion you reach after listening to Gennadiy Burbulis, former Russian state secretary, now a prestigious political scientist, who is paying a private visit to Japan.

During a conversation with IZVESTIYA and KOMSOMOLSKAYA PRAVDA correspondents Gennadiy Eduardovich set out the crux of his mission: It being to balance Russo-Japanese contacts at public and nonstate level. In order to move on from personal trust to professional mutual understanding and thence to state trust.

Mr. Burbulis' route, in addition to Tokyo and the ancient capital Kyoto, takes him to the island of Hokkaido, which is close to the Russian border.

Journalists' attention in Tokyo was riveted on the former state secretary's personal meeting with the incumbent prime minister. A report appeared in the newspapers that Morihiro Hosokawa gave Mr. Burbulis a message for President Yeltsin.

Gennadiy Eduardovich explained that this is not entirely true. He did not receive any such document. Prime Minister Hosokawa simply set out his view of the status of and prospects for bilateral relations during a conversation with him, a view which will of course be conveyed to the Russian public and also, if an occasion presents itself, to Boris Nikolayevich personnally.

In Burbulis' opinion, Hosokawa's statements show innovativeness and realism. Their realism resides in particular in his expression of total support for President Yeltsin's reformist course and his readiness to cooperate on on the basis of legality and justice. And their innovativeness lies in the fact that the prime minister sees no insoluble problems and is aware of the inadmissibility of resolving them at a forced pace.

Proposes Creation of Joint Committee

LD0809091593 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 8 Sep 93

[From the "Novosti" newscast]

[Text] Gennadiy Burbulis led a delegation of Russian representatives to the Japanese island of Hokkaido. Burbulis proposed at a news conference that there be a Russian-Japanese public committee of trust to address the territorial problem. He suggested that it include historians, lawyers, political and public figures, journalists, and former diplomats from both countries.

Hosokawa's Russian Policy Evaluated

PM0709155193 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 3

[Sergey Agafonov report: "Japanese Premier Sets Out His Views of Relations With Moscow"]

[Text] Tokyo—Late last week during a 40-minute meeting with former Russian State Secretary Gennadiy Burbulis Japanese Prime Minister Morihiro Hosokawa articulated some fundamental propositions that may lay claim to the title of the "Russian program" of the new Japanese Cabinet—a Cabinet formed at the beginning of

August from representatives of seven parties that were, until recently, in opposition.

We would point out straightaway that there are no signs of revolutionary innovation in the seven-party administration's approach to Moscow, it is rather a question of continuity in the former course. It is worthy of note that Hosokawa's "points" open with the thesis of support for Russian reforms and by reaffirming loyalty to Japan's G-7 pledges to Russia. What is more, the premier said that he is greatly looking forward to Yeltsin's planned visit to Tokyo in October.

However, Hosokawa urged Moscow to display political responsibility and commitment to the task of totally normalizing relations between the two countries, including to resolving the territorial problem, which, according to Hosokawa, should be taken out of the framework of domestic political struggle and rid of nationalist accretions.

During a meeting with IZVESTIYA and KOMSOMOLSKAYA PRAVDA correspondents, G. Burbulis said that the conversation contained important elements, which, in his opinion, illustrate that Tokyo is more realistic and even innovative in its approaches to Russia today.

In this connection the former state secretary spoke of the attractive aspects of the idea of "solidary reform" [solidarnoye reformatorstvo], which he formulated and set out to his Japanese interlocutor, whereby Moscow and Tokyo must certainly become closer to one another under the new Japanese Cabinet since governments implementing reforms are in power in both countries. Burbulis promised to convey his impressions of Hosokawa's views to Yeltsin.

It only remains for us to briefly note the following: First, Hosokawa's dialogue with Burbulis is the young premier's first dealing with the tricky subject of bilateral relations; second, it was timed to coincide not with the official consultations at the deputy foreign minister level that took place a few days earlier—at the end of August—but with a meeting with a private individual, who in this case was afforded greater trust and attention than Russian Foreign Ministry representatives. Furthermore, the "Russian points" were voiced three weeks before the heads of the two countries' foreign policy departments meet in New York, and Tokyo is obviously expecting to receive a response to them from Moscow within a short period, primarily to the main question on the "operational" agenda—the precise date of Yeltsin's visit to Japan.

Japan Funds Warehouse Construction on Kurils

OW0709093693 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 3 Sep 93

[From the "Pacific Ocean" Program]

[Text] For the first time since the end of World War II, Tokyo has decided to get involve in the economic activities of the Southern Kurils, despite earlier blocking of any Japanese business attempts to penetrate the disputed islands. As is known, the Committee for Aiding the Former Soviet Union, acting under the aegis of the Japanese Foreign Affairs Ministry, has decided to allocate money from the state budget to build a number of auxiliary buildings on Kunashir, Iturup, and Shikotan.

The issue is about the erection of three two-story metal warehouses in which goods, basically tinned goods and other long lasting foods sent to the Southern Kurils within the framework of a humanitarian aid program, will be stored. It is planned to build the warehouses in a manner in which they can be used as hotels by Japanese arriving on the island on nonvisa exchanges.

Tenders for this contract have already been issued among companies in northern Japan. In fact, the completion of this contract will signify a change in Tokyo's former attitude of complete rejection of any economic ties with the Southern Kurils, which it considers its own, illegally occupied, Northern Territories. At the same time, the Japanese authorities have done everything to ensure they can to protect themselves against any charges of economic cooperation with the disputed islands' administration and population. For instance, after construction, the warehouses will be handed over to the local authorities for supervision without any further Japanese supervision. Further, it is proposed that all construction be done exclusively by the Japanese, from Japanese materials, and without using local workers.

Political Issues

Rutskoy Condemns Order To Place Office Under Guard

LD0709115993 Moscow ITAR-TASS World Service in Russian 1121 GMT 7 Sep 93

[By ITAR-TASS correspondent]

[Text] Moscow, 7 Sep—Aleksandr Rutskoy's press service today released a statement for the mass media condemning the decision to place the Russian Federation vice president's Kremlin office under guard. The statement says that the explanation that these actions are the result of "the need to ensure the interests of the investigation, are meant to deliberately misinform the country's public." The press service claims that representatives of the Moscow Procuracy informed it that "The Moscow Procuracy has given no instructions whatsoever for the offices of A. Rutskoy and members of his staff to be placed under guard."

Shumeyko Questioned in Corruption Investigation

LD0809095893 Moscow ITAR-TASS World Service in Russian 0849 GMT 8 Sep 93

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow, 8 Sep—"I have been called as a witness," Russian Vice Premier Vladimir Shumeyko stated. He arrived this morning at the investigation administration of the Procuracy General of the Russian Federation for a conversation with Aleksandr Yakovlev, the assistant procurator general. But he expressed the intention of discussing with the assistant procurator "whether it was worthwhile giving any evidence at all."

Vladimir Shumeyko forecasts two lines of development of events: Either he will be accused (in the corruption case), or he will not be at all. In his opinion, bringing an accusation could be dragged out for one year or one and one-half year. "I cannot be removed from work for such a long time and be in such an uncertain situation anyway," the vice premier stated.

Like Vice President Aleksandr Rutskoy, he was temporarily removed from work by Boris Yeltsin a week ago.

Prosecutor Urged To Quickly End Shumeyko 'Saga'

PM0709130593 Moscow ROSSIYSKIYE VESTI in Russian 3 Sep 93 p 1

[Aleksandr Bukhvalov article: "General Prosecutor's Office Sought But Did Not Find..."]

[Text] The tangle of affairs that has been twisted around well-known names is preventing many of us from making an impartial assessment of the situation.

First, the increased interest of the General Prosecutor's Office in Vladimir Shumeyko came about soon after he signed the directive on the need to check on the activity of the not unknown "Vozrozhdeniye" Fund.

Second, in the course of an intensive investigation lasting over a year, the General Prosecutor's Office failed to find any facts militating against Shumeyko. But there was the well-known saga of the petition to the Supreme Soviet and the institution of a new criminal case relating to old facts. Evidently, the more cases, the more objective the investigation.

Third, Vladimir Shumeyko, in his own words, himself asked the president to issue the corresponding edict on his temporary release. The situation with regard to criminal and civil cases has now entered such a phase that it is far more effective to devote some—quite short—time to it alone and to put an end to this problem than to continue listening to ambiguous hints and direct insults, which hamper work and undermine the authority of the federal executive as a whole.

Fourth, throughout the period of exposes the first vice premier, as distinct from his opponents, did not descend to insults, accusations, the use of contemptuous nicknames for political opponents, or the deliberate distortion of surnames, i.e. he proved himself a correct politician and a man with strong nerves.

Unless the General Prosecutor's Office very soon confirms the accusations leveled at Shumeyko by Rutskoy and by itself, it will be forced, one way or another, to end the saga. For the lack of a corpus delicti. Given such a decision, many of Shumeyko's colleagues will sincerely envy him. And how! Who else—apart from Shumeyko—has undergone such biased certification for abuses? Who else will have to hand official proof that throughout his work in the system of federal power he did not once yield to cupidity or use his official position for personal ends? If the General Prosecutor's Office has sought but found nothing, this means he really is clean.

Poltoranin Talks to Investigator About Corruption Case

PM0809091793 Moscow ROSSIYSKIYE VESTI in Russian 7 Sep 93 p 1

[Nikita Vaynonen report: "Mikhail Poltoranin: 'I Was Summoned As a Witness, Not As the Accused'"]

[Text] "Admittedly the investigator and I did not embrace, but we sat down for a while and had a good talk," Mikhail Poltoranin told journalists just after 1300 hours on 6 September, following a three-hour conversation, as he was coming out of the doors of the Russian Federation General Prosecutor's Office Investigation Administration, where he was invited as witness in the case of the so-called Berlin building.

According to Poltoranin, Senior Investigator B. Isayenko, who talked to him—incidentally the same Isayenko who carried out the notorious search in the office of the leader of the Federal Information Center—told him that he did not know the source of the rumors that a charge had been filed against Poltoranin: The Prosecutor's Office Press Service did not speak of anything like this with the investigator. "A nice man who conducts a discussion correctly"—this is how Poltoranin described his interlocutor. "But due to the fact that I had departed on vacation and therefore did not present myself when he summoned me, and the investigation has its deadline, we agreed that I will have to let him know when I go on business trips." When asked by ROSSIYSKIYE VESTI whether this is an undertaking not to leave without permission, Poltoranin answered that he wants to take a lawyer to sort out all these subtleties. The discussion itself, according to him, was of a routine technical nature: No assessments were made, and details connected with the case were clarified.

As we know, the Berlin building, which until the collapse of the USSR belonged to the Union of Soviet Societies of Friendship with Foreign Countries, could have been lost by Russia together with all the revenue it brought in, had it not been for a number of steps taken by top government officials, including M. Poltoranin, who at that time was invested with the status of vice premier. But at the same time, so it is claimed, he exceeded his powers. The games surrounding the figure of a man who, it is considered, belongs to the president's close entourage, gave the matter a political tinge: Out of 47 such buildings in various countries, for some reason the investigation is interested in only one. This is no doubt also the underlying reason behind the false rumors about Poltoranin being charged with some kind of abuse and about yesterday's conversation at the Prosecutor's Office Investigation Administration. Although, as Poltoranin told journalists, it is his impression that "unless he is pretending," Senior Investigator B. Isayenko only wants to get to the truth, and not accuse someone without fail: "He said that he is not interested in Poltoranin, but in the crux of the matter." During the conversation, the guest was not incriminated with anything, and he has no complaints about the investigation.

At the same time, according to Poltoranin, as far as he could judge, pressure is being exerted on the investigator. For instance, while they were talking, the telephone without a dial on the desk rang several times, and the leadership asked whether they had finished or not: "They want to get the bread out of the oven and hand it out before it is baked."

At the moment no one can say how long the investigation will take. If it proves possible to cast away political intrigues, it should result in the normal lawful use of the Berlin building in the interests of Russia and, rather importantly, the Russian press: It is planned that a sizeable proportion of the revenue earned by the house will be used specifically for the needs of the Russian press.

Moscow Trial of Coup Plotters Continues

Defendents' Petitions Rejected

LD0709164393 Moscow ITAR-TASS World Service in Russian 1515 GMT 7 Sep 93

[By ITAR-TASS correspondent Igor Beltskiy]

[Text] Moscow, 7 Sep—The military collegium of the Russian Supreme Court today examined the petitions of the defendants and their lawyers to remove state prosecution in the case of the State Committee for the State of Emergency [SCSE], and rejected these requests.

At the same time, the court acknowledged the dependence of those prosecutors involved in the court session on the leadership of the Russian Federation General Procuracy, which had expressed an indirect interest in the results of the trial. A decision of the military collegium which was announced also says that the Supreme Soviet showed contempt for the court, which almost four months ago sent an appeal to the parliament requesting it to take measures for ensuring that the participants in the trial are independent; the court received "in effect a refusal."

Taking all this into account, the Supreme Court collegium decided that it is impossible to investigate the case without the presence of the prosecutors. The court deemed that it is not necessary to satisfy requests to remove the official prosecution; during the investigation of the case, it is necessary to take into account the fact of the dependence of public prosecutors.

The SCSE trial has been adjourned. The next sitting will take place tomorrow.

Court Sessions Reduced

LD0809082193 Moscow ITAR-TASS World Service in Russian 0730 GMT 8 Sep 93

[By CRIME-PRESS corespondent Nikolay Semenenko]

[Text] Moscow, 8 Sep—At the trial into the case of the State Committee for the State of Emergency [SCSE], which continued today, the Military Collegium of the Russian Supreme Court agreed to a request by the defendants and their lawyers for the length of court sessions to be reduced. The court will now work daily from 1000 hours unitl 1400 hours, with an interval. The first day of each week—Mondays—is given over to the defendants and their defense for various organizational activities, familiarization with new documents submitted to court, and for coordinating their positions and taking stock of the results of past stages in the legal investigation.

Explaining the need for this order of work by the court, Yelena Lvova, Vyacheslav Generalov's lawyer, cited the fact that the defendants are of pensionable or nearly pensionable age and suffer from a number of chronic illnesses and that because of this, they find it hard to

endure prolonged court sittings involving considerable emotional and psychological strain.

In connection with the failure to appear in court of Aleksey Shmyrev, Oleg Baklanov's lawyer, because he was feeling unwell, the judges agreed to his request for a two-hour break in the sitting, during which he will be given medical assistance. The court will resume work at 1200 hours.

Trial Adjourns Until 14 Sep

LD0809105293 Moscow ITAR-TASS World Service in Russian 0925 GMT 8 Sep 93

[By CRIME-PRESS correspondent Nikolay Semenenko]

[Text] Moscow, 8 Sep (TASS)—Owing to the absence due to illness of defendant Oleg Baklanov's advocate, Aleksey Shmyrev, another adjournment has been announced in the legal proceedings resumed yesterday on the case of the State Committee for the State of Emergency.

In announcing this move, session chairman Anatoliy Ukolov asked all those taking part in the trial to inquire next Monday at the Military Collegium of the Russian Supreme Court regarding the possibility of resumption of the hearings.

Economic Issues

Fedorov Comments on Budget, Financial Policy

LD0709183493 Moscow ITAR-TASS in English 1745 GMT 7 Sep 93

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow September 7 TASS— "The parliament has taken the clear course towards the destruction of the state and overthrowing of the government," Russian Minister of Finance Boris Fedorov told a news conference here today.

A proof to it is the budget adopted by the Supreme Soviet. The parliament appeal to regions "not to pay federal taxes means the Supreme Soviet has passed all boundaries and started to change the course," said Fedorov.

In his words, the Ministry of Finance has submitted to the government a package of proposals to stabilize the financial situation in Russia, including measures to curtail non-balanced spending and taxation proposals.

On the whole, the government was presented some 20 resolutions, including a presidential decree, as well as seven documents sent to the Supreme Soviet.

Speaking of an agreement to create the single rouble zone signed today by representatives of six Commonwealth states, Fedorov said an economic union of the Commonwealth is necessary, same as the rouble zone, but the "real joining of monetary systems of these states can happen only after customs, currency, budget and tax legislations of these states are brought in correspondence with our laws".

The minister said the past eight months "witnessed more or less gradual movement towards financial stabilization".

The main reasons for boosted inflation in August were "exchange of old money, inflow of hundreds of billions of roubles to Russia from Commonwealth states, increase of prices on energy carriers, electricity and transport tariffs and seasonal easing of credit policy due to harvesting and transportation of goods to northern areas".

The difference in the budget deficit will depend on the budget variant to be adopted—either the one of the parliament or the government—to amount to approximately 25-30 trillion roubles by the end of this year. In the words of Fedorov, the situation will be worst if regions refuse to pay taxes to the federal budget.

"Despite difference of opinion inside the government and between the government and the Supreme Soviet, the stand of the financial ministry's board is that we will uphold our point of view to the very uttermost as long as we are in office," Fedorov told ITAR-TASS.

Grants Interview

MK0309081593 Moscow SEGODNYA in Russian No. 48, 3 Sep 93 (Signed to Press 2 Sep) p 1

[Mikhail Leontyev report on an interview with Finance Minister Boris Fedorov under "Interview" rubric: "The Government Is On the Eve of a Decisive Choice Between Financial Catastrophe and Stabilization"; place and date not given]

[Text] Russian Finance Minister Boris Fedorov in an interview with SEGODNYA stated: "Since the obligations that we assumed in May are not being fulfilled, it is senseless to count on receiving a second tranche of the "standby" credit ($4.1 billion). Although there is no reason to talk about a full collapse," Mr. Fedorov noted, "under pressure from various forces we have exceeded the credit ceilings. Some absolutely vital decisions on many revenue sources were not taken. The blame for a whole number of decisions unbacked by revenues lies on the government, among others."

The current 8-trillion-ruble [R] budget deficit accumulated as a result of various indulgences will be compounded by another R12 trillion which, according to the finance minister, could realistically be cut "at the expense of new revenue sources.... If we were to stay within the R15 trillion annual deficit level—less than 10 percent of GNP—that could be seen as substantial

progress. At the same time the STF [Systematic Transition Facility] (transfer credit) could go to cover part of the deficit rather than borrowing money from the Central Bank."

Assessing the situation on the currency market, Boris Fedorov pointed out that hard currency reserves at present constitute $5-6 billion compared to $2 billion at the beginning of the year. The growth is quite substantial, especially if one recalls that at the start of the reforms hard currency reserves were close to zero. The difference between the current rate of exchange and the real parity of the purchasing power of the ruble and the dollar is still very big. Unless there is an "injection," as provided for under the Supreme Soviet budget plan, "it would not be out of the question for the rate to stay at its present level of R1,000-1,1000 per dollar."

The rate's relative stabilization against the backdrop of ruble inflation will mean the gradual approximation of the purchasing power of the ruble and the dollar.

As for the current inflation rate, in the minister's opinion, if it were not for the coincidence of several artificial factors (the rise of transportation tariffs, energy prices, the impact of the cancellation of old bank notes, the artificial inflation of grain prices, and also the continuation of the July jump in coal prices), the August inflation index would have approximated 15 percent. "We have certainly exceeded credit limits but not by so much that the monthly index should reach 30 percent."

"Compared with last year, there is a tremendous difference. There have been neither mutual clearing arrangements, nor gigantic credit infusions. Eight months of relative stabilization. If we had made some decisions earlier, at least in spring, we would have achieved stabilization by fall," Boris Fedorov said.

The question, however, is whether the government today is capable of realizing that financial policy is the strongest aspect of its performance. As Boris Fedorov noted, "macroeconomic indicators are hardly ever taken into account here." The minister's fears are corroborated by the latest reports about apparent preparations for clearing settlements and inflationary investment demarches by the Economy Ministry headed by First Vice Premier Oleg Lobov. According to Boris Fedorov, this is a question requiring a decisive political choice.

"A package of proposals that was discussed during four hours on Thursday at a closed session of the Council of Ministers presidium was presented to the government. The program was approved in principle." The government is to finally adopt or reject the amended document by next week.

"If it is accepted," the minister stated, "everything will be normal. If it is not, I do not know how we shall live in the fourth quarter. The budget will collapse."

In this event, the finance minister promises, "The final press release from the Finance Ministry will read as follows: 'Ladies and gentlemen, comrades, buy up dollars—soon the rate will be 4,000 to one.'"

Finance Ministry's Stabilization Measures Outlined

PM0609083593 Moscow ROSSIYSKIYE VESTI in Russian 3 Sep 93 p 1

[Igor Petrov report: "No Such Thing As Sweet Medicine. Finance Ministry Preparing Stabilization Program"]

[Text] ROSSIYSKIYE VESTI has already familiarized its readers with the upheavals in the struggle which has developed over the adoption of the country's budget. By approving for a second time an almost 50-percent excess of expenditure over revenue, the Supreme Soviet, in the opinion of the Ministry of Finance, has virtually called in question not only the government's policy aimed at financial stabilization but also the material well-being of millions of Russians. The price to pay for this could be a surge of inflation, a sharp drop in the ruble rate of exchange, a complete end to investment in production, the impossibility of saving, and, ultimately, the disappearance of the "middle class" and the people's impoverishment.

The Russian Federation Ministry of Finance has submitted its own program of measures aimed at stabilizing money circulation and curbing inflation for discussion by the Government Presidium. We spoke of their general thrust in ROSSIYSKIYE VESTI 1 September. Now the details. What, then, lies in store for us, according to the prescription of the "doctors" at the Finance Ministry?

Above all, it is proposed to substantially reduce budget expenditure which is not backed up by actual sources of funding. In order to support agriculture, the coal industry, and the energy sector, it is deemed expedient to form special funds with the introduction of a special tax. It is planned to establish an increase in the rate of personal income tax on individual superhigh incomes, starting at 12 million rubles a year. The possibility is being examined of increasing stamp duties on legal entities and raising taxes on citizens' property, including motor vehicles, and customs duties on a number of imported goods, particularly food and alcoholic beverages. The arsenal of measures includes a refusal to subsidize grain, the introduction of excise duties on certain nonessential goods, and also a monthly subscription to receive programs from central and local television studios.

Tough measures to combat the dollarization of the economy particularly stand out. In particular, it is proposed to ban cash transactions and payments in foreign currency on the territory of Russia, as well as the payment of wages in hard currency. The rate for changing foreign currency into rubles in stores must not exceed the rate of the Central Bank of Russia by more than 10 percent. If trade enterprises refuse to accept Russian rubles in payment for goods and services, they are to lose the corresponding licenses.

One of the most radical measures is to ensure before the end of 1993 the compulsory conversion of enterprises' mutual debts into short-term commercial bills, with subsequent application of the bankruptcy procedure to insolvent payers.

There is no denying that the new taxes, excise, and duties are quite a bitter medicine. But is it not better, all the same, to look at the state of affairs in your own economy without illusions or unwarranted optimism? Nobody is in any doubt that the Russian economy is gravely ill. The whole question is which means of treatment to choose: The bitter pill of the policy of stabilization and continuing the reforms or a pretty large injection of drugs in the form of "empty money" and cheap credits. Only it would not be out of place to remember that physicians most frequently prescribe drugs for a patient who is without hope. To ease his suffering.

Draft Decrees on Economic Stabilization Near Completion

LD0709165493 Moscow ITAR-TASS World Service in Russian 1422 GMT 7 Sep 93

[By BUSINESS-TASS correspondent Oleg Deyneko]

[Text] Moscow, 7 Sep— Currently in the stage of completion is the drafting of a number of decrees of the president of the Russian Federation to stabilize the economy and get the country out of crisis. The BUSINESS-TASS correspondent has learned this from reliable sources.

In particular, one of the drafts envisages the intersectoral clearing of the reciprocal indebtedness of all economic subjects of the Russian Federation as at 1 October 1993. For the purpose of creating better conditions for stimulating Russian enterprises producing output for export, it is planned to substantially reduce the list of goods coming under quota or under license.

It is also envisaged to instruct the government to index the nominal value of privatization cheques, bringing it into line with the value of basic assets, taking into account the revaluation made as at 1 July last year. It is planned within one month to emit and issue to the population of the Russian Federation vouchers of the 1993 model with a nominal value of 250,000 rubles.

Decrees drafted also envisage a revaluation of the basic assets of enterprises, regardless of the forms of ownership, as at 1 October 1993; a universal indexation of the savings of the population, with a 50-fold increase in the volume of the balance in deposits as at 1 January 1992; the indexation of the deposits will be made by means of an issue of shares of enterprises being privatized, and also by other forms of property ownership, including land; the making of amendments to the system of taxation; exempted from taxation will be enterprises' and organizations' profits obtained from an increase in output, and also profits being directed to replenish working funds. Alongside this there will be a reduction in the taxation of physical persons with average incomes and there will be an increase in the taxation of persons with very high incomes. From 1 October 1993 it is envisaged to ban the making of cash transactions and payments in foreign currency on the territory of the Russian Federation, and also the payment in foreign currency of pay and other forms of remuneration for work.

Lobov's Economic Proposals Criticized

PM0809104393 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Sep 93 p 3

[Irina Savvateyeva article: "Lobov's Head-On Attack on Ruble Backed in Principle by President"]

[Text] We recently learned what Boris Nikolayevich Yeltsin thinks about "On the Economic Situation in the Country and Measures To Stabilize It." It turns out that he thinks the same as Oleg Ivanovich Lobov, his old friend and comrade in arms, who is now head of the State Planning Commission—pardon me, the Russian Ministry of the Economy. Boris Nikolayevich "backed in principle" Oleg Ivanovich's five pages of "proposals" on this subject and, with the president's characteristic determination, "asked" for "a draft edict to be submitted within 10 days."

The "proposals" will hardly come as a revelation to those familiar with Lobov's far more substantial work: his memoirs on the future of the administrative edict system entitled "On the Ministry of the Economy." There might not been have been any point in drawing the reader's attention to Oleg Ivanovich's latest work were it not for the eminent person to which it is addressed. Were it not a blatant attempt (how could one put this more diplomatically?) to hoodwink the head of state.

For instance. The general words "Production is still falling albeit at a somewhat slower pace than last year, but at a nonetheless fast pace" conceal extremely interesting figures—figures with which Oleg Ivanovich is obviously familiar, but which he has omitted to mention. To whit: In September 1993, compared with August 1992 industrial production rose by 11 percent. While in September, compared with April, the level of production remained virtually unchanged. In May, June, and July production did indeed fall. By 4.5, 2.5, and 5 percent respectively. The numerous holidays were a factor in the first month, the tightening of credit and finance policy only in the second, and monetary reform in the third. Thus, in July 1993 the level of industrial production was exactly the same as in August 1992.

While arguing that the "crisis of payments is the main reason for the fall in production in many sectors," the economy minister is bound to know that, compared with July 1992, nonpayments in July 1993 had only trebled. Whereas prices had risen by a factor of 14. In other words, throughout this year real nonpayments, taking inflation into account, have fallen every month.

Drawing the president's attention to the fact that the rate of inflation in August "topped 30 percent," Lobov is bound to be aware that the leap in inflation is primarily the result of monetary reform, which has caused rubles to flood into Russia from other states.

But the following claim is a blatant lie: "Even the 40-50-percent cut in budget spending in the first half of 1993 against envisaged spending did not reduce inflation, the main cause of which is the fall in production." The fact that the main cause of inflation is not the fall in production but the uncontrolled issuing of credit only remains a mystery to Oleg Ivanovich Lobov. But to claim that the cut in spending in the first half-year "has not reduced inflation"? Have a heart, Oleg Ivanovich! Various observers calculate that the rate of inflation has been falling steadily since February 1993.

However, the crucial section of Lobov's message to the president comes after the following vigorous phrase: "The following decisions should be adopted immediately." The main thrust in this section is the following: "It is necessary to provide funds to meet pressing requirements." These include the "construction of highly important installations that decide the fate of production..." (Can you imagine the scope that Ministry of the Economy has in deciding what is "crucial" and "highly important"?) Also included is the "payment of debts to the defense complex" and procuring the "maximum quantity of grain, paid for immediately and in full." (Goven that a grain surplus is expected this year, the note of panic is quite incomprehensible). In a word, provide funds—all-around, immediately!

The second idea in Lobov's message is this—"change methods and speed up the pace of privatization!" "It is necessary to abandon the practice of constantly distributing accumulated wealth for free. A considerable proportion of it should be...sold." I have kept quiet about the social consequences of the intended action. That is all understandable. It is something else that is incomprehensible: How is it intended to combine "speeding up the pace" with "selling" things off? Oleg Ivanovich is convinced that "nonstate capital, capable of buying a considerable number of enterprises, has already been accumulated in Russia." It is capable of doing so. But why is that necessary? Why is it necessary to buy uncompetitive enterprises with outdated equipment? And burden yourself with a large labor collective that is totally unnecessary for normal production and then rack your brains wondering what to do with it? But, most importantly, where did Oleg Ivanovich get the idea that private capital would rush to invest money in a country with rampant inflation?

All in all, our economy minister is a great dreamer. He is proposing to simultaneously hand out money left, right, and center, lower taxes, and reduce the budget deficit. Any sensible person will tell you that miracles do not happen. But Oleg Ivanovich is convinced that anything can happen, all you have to do is "restore order in implementing the revenue section of the budget"—collect the 30 percent of uncollected taxes. Order does of course have to be restored. But the Finance Ministry's potential for action is hardly that great. Specialists assure us that 30 percent is very, very good. In many countries in East Europe (and not only East Europe) the budget does not even collect up to one-half the taxes.

Another of Lobov's dreams is that of creating a special organ—an interdepartmental commission to provide backing and financial support [sanatsiya] for enterprises—and using it to carry out "very detailed, careful work to select enterprises that need and deserve financial backing" and also "to introduce and ensure a bankruptcy mechanism."

The idea is of course a very good one and theoretically absolutely correct. But the specialists are convinced that it is unworkable. Because it would take a huge number of experienced specialists, which we simply do not possess, to carry out the systematic work of providing enterprises with backing and financial support. It would also necessitate huge expenditure—and the situation there is also very plain. People say that no country in the world has succeeded in anything like that. Only the former GDR has been successful in this. But Germany is a special case. It is not comparable in size to Russia, and it is a monoethnic, rich country. West Germany has a huge number of specialists. And there is no language barrier.

We must take our "specific features" into consideration. First of all: If Oleg Ivanovich takes on the "bankruptcy department," things will hardly reach the point of bankruptcy. But we will end up with all-around "backing" and "immediate provision of funds." Boris Fedorov has already informed the public that, if Oleg Lobov succeeds in carrying out his "inflationary investment maneuver," the next Finance Ministry press release will look like this: "Gentlemen and Comrades, buy dollars, the rate will soon reach 4,000."

Chubays Warns of 'Attack' on Privatization

LD0309134393 Moscow ITAR-TASS in English 1240 GMT 3 Sep 93

[By BUSINESS-TASS]

[Text] Moscow September 3 TASS—Next week the Russian parliament will continue the attack on privatisation, Anatoliy Chubays, chairman of the State Committee on the Management of Property, stated on Friday [3 September] at a meeting of the board of the All-Russia Association of Privatised and Private-owned Enterprises.

He maintained that, according to information reaching him, the parliament had prepared a draft resolution to broaden the powers of the Federal Property Foundation (FPF), with the functions of FPF chairman to be performed by a people's deputy.

Chubays believes that the parliament will try to pass the resolution before September 15 and to use the already existing anti-privatisation documents.

He said the State Property Committee will act legally this time as well, and emphasised the need urgently to elect a new parliament because, he argued, in its present composition the parliament "will never pass a sound decision on the privatisation policy".

Lobov Sponsors Privatization 'Breakthrough'

MK0709072893 Moscow NEZAVISIMAYA GAZETA in Russian 7 Sep 93 p 1

[Ivan Zasurskiy report: "Sensational Edict By President"]

[Text] Yesterday at 1700 it became clear that Oleg Lobov had sponsored a new privatization breakthrough which, judging from the draft presidential edict, is to be launched in the near future. The presidential edict calls for issuing and distributing among the population privatization checks for 1993 with a face value of 250,000 rubles. Enterprises have to carry out yet another indexation of their fixed capital and depreciation payments. Fifty percent of the money earned from converting enterprises into joint-stock companies will be remitted to the government budget and 50 percent will be kept by enterprises. It is also planned to increase taxes on securities. The citizens' savings as of 1 January 1993 will be indexed 50 fold, an operation to be backed by fixed capital and land. The government is to draw up the procedure for the indexation of fixed capital within a month. Oleg Lobov submitted the draft edict to the Russian Federation president with Yuriy Luzhkov having practically no part in this. The appeal to the president calls for selling 30 percent of stock for vouchers. The economy minister estimated the value of fixed capital after the indexation at between 200 and 250 million rubles.

Lobov Backs Luzhkov Criticisms of Privatization

PM0809082193 Moscow ROSSIYSKIYE VESTI in Russian 7 Sep 93 p 1

[Anatoliy Diordiyenko, Igor Petrov report: "Disputes Over Privatization"]

[Text] "What is happening in the sphere of privatization is a crime," Moscow Mayor Yuriy Luzhkov stated, according to an INTERFAX report, at a meeting of members of the Moscow Government with leaders of organs of power and administration of the Russian Federation republics, krays, oblasts, and cities in the European part of Russia, invited to celebrate the Day of the City.

He also reported that the president has approved the conclusions and proposals contained in a memorandum criticizing the course of privatization. Government Vice Premier Oleg Lobov and the capital's mayor sent this memorandum to Boris Yeltsin.

As an "example of the absurdity," Yuriy Luzhkov cited the situation which developed during the privatization of the Likhachev Moscow Automobile Plant [ZIL], when a firm obtained the plant's controlling block of shares for only 4 billion rubles [R], while the cost of the imported equipment alone that was installed at the enterprise was $300 million. In this situation, according to Yu. Luzhkov, you cannot talk of privatization as a socially fair process.

"Lobov and I agreed to convince the president that we must immediately stop the process of this kind of privatization,"—the INTERFAX report ends with this statement made by the Moscow mayor.

However, as the ROSSIYSKIYE VESTI editorial office found out from a senior employee of Oleg Lobov's secretariat, the vice premier did not participate in the preparation of the memorandum together with the Moscow mayor, but, having familiarized himself with its content, by and large agreed with the conclusions and proposals which Yu. Luzhkov made, and promised to support them when he met the president.

Another document concerning the privatization came into being within the Ministry of the Economy—"On the Indexation of the Value of Privatization Checks and a Revaluation of Fixed Assets." It speaks in particular of the fact that privatization must be used not only as a means of creating a stratum of owners, but also as a reliable key to a deficit-free budget. The memorandum proposes that a revaluation of shares and vouchers and a simultaneous revaluation of the fixed assets of enterprises be carried out, which, according to the authors, will lead to an increase in the state's income and will enable the property of enterprises which are being floated to be realistically valued, and so on.

The Opinion of the State Committee for the Management of State Property

"I have to agree with the Moscow mayor that privatization in the capital has been conducted in violation of the laws which operate in Russia," Anatoliy Chubays, chairman of the Russian State Committee for the Management of State Property, stated yesterday at a press conference specially held for the occasion. In conversations with Yuriy Luzhkov, he has repeatedly focused his attention on this. A total of 8,000 small-scale privatization deals have been deemed unlawful by the Constitutional Court. So two weeks ago, A. Chubays signed a directive on the creation of a commission to check all deals concluded. It will scarcely prove possible to cancel them, as a large number of people have participated in them, but they will somehow have to be brought into line with legislation. Incidentally, Yu. Luzhkov's sharp statement may be specifically connected with the creation of this commission, according to A. Chubays.

As for the privatization of ZIL, this took place in full accordance with the law. The "Mikrodin" joint-stock company acquired the controlling block of shares, having won honorably at the auction.

'Patchy' Coal Strike Leaves Problems Unresolved

PM0709155993 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 2

[Sergey Leskov report: "Only Half of Russia's Mines Strike on Monday"]

[Text] The Russian independent trade union of coal industry workers called for a strike 6 September for the purpose of getting the government to fulfill wage-rate agreements, but IZVESTIYA was told in the control room of the "Ugol Rossii" Joint-Stock Company that as of 1000, work had failed to start at only 117 mines and open-cut workings.

On that day, out of 40 associations, coal extraction ceased entirely in five coalfields—Sakhalin, Rostov, Tula, Kizil, and Gukovo. Just one mine stopped work in the most "dangerously explosive" Pechora field. The latter fact is a quite eloquent result of the trip by dismissed Vice President Rutskoy to Vorkuta, where he tried to "rouse" the miners to fight the government and the president.

All miners will return to work Tuesday 7 September. The brief and patchy nature of this strike certainly does not mean that the sector is in a tranquil state. The refusal of the majority of coalfields to support the strike is most probably due to the fact that the consumers of coal managed to accumulate sufficient stocks of fuel during August.

In addition, many miners' leaders believe that it would be unfair at present to put demands to the organs of state management. By the end of the summer the government had managed to fund up to 90 percent of the planned subsidies.

Today the sector's main troubles are connected with nonpayments by coal consumers. For example, according to a report by IZVESTIYA correspondent Arnold Pushkar, the size of the debt to the Tula coalfield's miners has already reached 2 billion rubles [R]. As a result, the lowest wage in the sector is just R60,000 in the "Tulaugol" Association.

The sector has also been hit hard by the 120-percent increase in railroad transportation tariffs—which has virtually deprived the coal industry of its usual sales markets, including those abroad. The coal industry stabilization fund, into which it was planned to deduct 3 percent of the sector's commodity turnover, would help to ease these problems. The organization of this fund was proposed by the government and supported by all coal industry associations. But the Supreme Soviet rejected the idea outright.

On the whole, the exacerbation of the coal industry's problems following the July liberalization of coal prices was predicted by experts. At first the possibility of selling its output at free prices seemed tempting, but in fact it proved a complex market test.

In the opinion of a number of experts, after the warning strike at the beginning of September it is possible to expect really mass actions by miners in three or four weeks' time. By that time the problems of preparing for the fall and winter period will have been exacerbated, and the coal reserves of even the most thrifty consumers will have run out owing to the high railroad tariffs.

Soskovets Calls For Boosting Sales, Not Output

PM0609145593 Moscow ROSSIYSKIYE VESTI in Russian 4 Sep 93 p 1

[Article by First Vice Premier Oleg Soskovets under the "Economy" rubric: "'The Main Thing Is Not To Produce Goods but To Sell Them,' First Vice Premier Oleg Soskovets Believes"]

[Text] Many people may not agree with me, but I think that the scientific and technical potential of the former Union and present-day Russia is up to world standards in virtually every respect. It is another matter entirely that, as a result of certain political aims, we gave preference to the development of the military-industrial complex, heavy industry, and metallurgy and completely forgot that it is people who make all these things, and in order to make their lives better we need to improve other sectors as well. Today the situation should be radically changed.

I often travel around the country and, after meeting with directors of enterprises, I am firmly convinced that idle talk about our industry's inability to put the economy in order has absolutely no basis in reality. Certain politicians who can afford to make statements like these simply do not know anything about Russia and are unaware of our potential. Our progress has been problematical, mistakes have been made, and we must acknowledge this honestly. But today nobody would argue that a return to the old methods of managing the national economy is impossible [sentence as published]. Nobody will welcome this news, especially directors of industrial enterprises who are basically the principal managers in our economy.

We have to bear in mind that entry into a normal civilized market is not a process that can be completed in one or two years. The sooner we realize that the principal purpose of the work of any enterprise is not so much to produce goods as to sell them, the quicker we will be able to put our lives back onto a normal track.

Council of Ministers Commission Views Economy

LD0709231193 Moscow Radio Rossii Network in Russian 1800 GMT 7 Sep 93

[Text] A commission of the Council of Ministers for operational issues has been discussing problems of the Russian economy. Our correspondent Vladimir Belov reports:

[Belov] Important issues were examined at a sitting of the commission, or as it is called more often, the small council of ministers. One of the issues was devoted to a program of technical re-equipment and development of Russia's metallurgy till the end of the century. Russia's First Vice Premier Oleg Soskovets told me how important it is to solve this issue right now.

[Begin recording] [Soskovets] The United States developed metallurgy with state resources. The third profound reconstruction of metallurgy is under way in Europe. It is connected with an increase in labor productivity, with the quality of goods and a lowering in the consumption of metal. We are significantly lagging behind in this respect. One should put it simply: If measures to provide for the necessary reconstruction are not taken—we know what needs to be done and how to do it [words indistinct]—then we will be losing our positions and will be forced to import what we traditionally used to produce ourselves.

[Belov] It is true that the report said that today we are forced to import metal pipes alone worth $2 billion, and we always produced them in our country. It is an extremely complex task to carry out the reconstruction of enterprises in conditions of a crisis, but it can be done. For example, the director of the Cherepovets metallurgical combine believes that in order to solve the problem, the main thing is to create normal conditions. If the bank had made payments without delays and taxes had been lowered, the Cherepovets combine would have carried out the reconstruction without the support of the state and would not have sent prices for its metal goods spiralling. What does Vice Premier Oleg Soskovets think about this?

[Soskovets] Any taxation system which does not allow a manufacturer to be engaged in developing production at all and which forces the manufacture to be continually in debt, never stimulates either production or its development. [end recording]

[Belov] A decision on a protracted argument regarding the privatization of Aeroflot and turning it into a joint-stock company was taken at today's sitting of the small council of ministers. It was decided in favor of joint-stock societies and companies, and not in favor of the Ministry of Transport which was advocating an indivisible company.

Aeroflot To Become Shareholding Company

LD0709223093 Moscow ITAR-TASS World Service in Russian 1531 GMT 7 Sep 93

[By ITAR-TASS correspondent Igor Galkin]

[Text] Moscow, 7 Sep—"Aeroflot—Rossiyskiye Linii" [Aeroflot—Russian Airlines] is about to become a shareholding company. This decision was taken at today's sitting of the Russian Federation Council of Ministers Committee for Operational Issues. A relevant document will have been elaborated within a week and the decision will be then be effected as a routine working matter.

The question of the Aeroflot flotation has been under discussion for a long time and today's sitting had its share of heated debate. Transport Minister Vitaliy Yefimov favors a concept of Aeroflot as a national company—a single entity. He says that it is impossible to unite several privatized enterprises into a single structure, capable of withstanding competition from international air carriers. Thus, out of the 12 enterprises that go to make up the Sheremetyevo- 2 complex, four enterprises agree to be floated as part of a single entity, whereas the remaining ones are ready to take this step only on the basis of individual treaties.

In his turn, Anatoliy Chubays, head of the State Committee for State Property, said that it is necessary to proceed from the realities of today, and these are such that Aeroflot has already been fragmented into several legally independent enterprises and the law guarantees them the right to be floated. The workforces of these enterprises defend this right up to and including strikes, since they are unwilling to live as they did in the olden days. They must be reckoned with, said Anatoliy Chubays, if attempts to persuade them that a closer degree of integration is good have failed. He said that the flotation document which has been elaborated allows for the integration of the activities of all organizations connected with the international Russian airlines. The state also retains its influence in these floated enterprises, controlling 44 percent of the shares. The concept worked out by the State Commission for State Property and in other government organizations has gained the upper hand.

Glazyev Interviewed on Regulating, Expanding Exports

MK0409094893 Moscow KOMMERSANT-DAILY in Russian 4 Sep 93 p 4

[Interview with Sergey Glazyev, minister of foreign economic relations, by Svetlana Sukhova: "Minister Recounts Grand Future Plans"; place and date not given]

[Text] The name of Russia's Minister of Foreign Economic Relations Sergey Glazyev has been much talked about lately in connection with his rather sudden request

to resign. There are various interpretations of his resignation in the context of the current political struggles in Russia. In the meantime, the recent session of the Ministry of Foreign Economic Relations [MFER] collegium closed the subject and keynoted the idea of enhancing the ministry's regulatory role in the sphere of foreign trade. Sergey Glazyev dwelled on separate aspects of the strategy and tactics being developed by the MFER in an interview for Svetlana Sukhova, KOMMERSANT-DAILY's international life desk correspondent.

The Influence of Economic Interests on the Government

Of course, business circles influence government policy. The problem is that policy should not be dictated by separate groups' corporate interests. We have set up a Council for Foreign Economic Policy under the MFER precisely in order to save us from such influence. It represents all group interests. Their influence should be open so that one can comprehend the logic of decisions and everyone can take part in a dialogue. I think this is the best option. The absence of such councils so far cannot guarantee that the influence of business on politics can be reduced to zero—it simply becomes concealed.

Russian Special Exporters

I want to stress that by regulating the operation of special exporters we act on a legislative basis. There is such a great number of registered exporters because virtually a registration- upon-application procedure was in force in 1992. A special interdepartmental commission was in charge of this type of registration. If there were no grounds for turning down an application, the MFER collegium gave its clearance for registration. Today we are trying to tighten the registration procedure primarily in order to keep tabs on raw material exports and the repatriation of hard currency earnings. This control, however, should be based on trustworthy information that we can obtain only after reaching agreement with special exporters to keep their foreign trade and hard currency operations totally "transparent." Note that there is no connection whatever to the ministry's corporate interests. Nor is this the MFER's policy. We are carrying out the government's program which imposes control over exports of strategic goods.

We are relying very much on the automated control system we are putting in place. Its first stage is now ready, and we are going to make it fully operational by year's end as we complete the re-registration of special exporters. Thus we will make it impossible to break the laws on concealing foreign currency earnings and exporting raw material commodities.

On Tenders

We have already switched to the distribution of export quotas for state needs through tenders. This is the only form possible in free market conditions. We are planning also to introduce a system of tenders to distribute state orders for imports. This is a far more challenging task because there is a rather large variety of import operations, including purchases of critical import items for hard currency cash, getting commodities in payment of debts, and other operations where it is impossible to ensure optimal revenues for the state without resorting to bidding.

Russia's Foreign Economic Priorities

The main thing now is to expand exports of finished products with high added value, which does not mean stopping raw material exports. It is, however, important to expertly use Russia's influence on the world raw commodity markets. Regretfully, no considered strategy for these markets existed in the last three years. We are now forming it. Domination of Russian commodities on one market or another should be used to set prices and enhance the efficiency of foreign trade operations.

As for individual countries, one should speak of different methods of working with them. There are no low-priority countries as far as we are concerned. If you take, say, the EC, our problem there is lifting trade barriers. For example, quantitative restrictions were recently imposed on Russia's aluminum imports [as published]. This was in gross violation by the EC of its own obligations to Russia under the trade agreement. This happened despite the fact that we had agreed that the decision on sanctions should be suspended for two months during which information could be gathered and a system of control put into place. This does not mean, however, that relations with the EC are seriously worsening.

As for Southeast Asia and China, the main thing is to improve the demand for our goods which they are not very familiar with. Direct contacts should be built with Latin America at the enterprise level. Our producers are almost completely unfamiliar with that market.

Future Plans

First, the Law on Foreign Economic Activity should be finalized and passed. Second, a system should be put together to regulate export-import operations (import tariff rates, updating export tariffs) and a system for foreign currency and export control should be finally put together. Third, a federal program to stimulate the export of engineering products should be launched. Fourth, the entire system of bilateral and multilateral agreements regulating our foreign economic relations should be further developed.

Crude Oil Surplus Reaches 10 Million Tonnes

LD0509130593 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 5 Sep 93

[From the "Novosti" newscast]

[Text] Today is Oil and Gas Industry Day. According to figures from the Ministry for Fuel and Power Engineering, Russia now has close to 10 million tonnes of

surplus crude oil in storage. Oil refineries are working at just 60 percent capacity and are refusing to increase their turnover because customers are unable to pay for gasoline and other fuels. Expert opinion says that the way out is to increase exports, but doing this at the expense of domestic consumption could reduce fuel supplies to agriculture.

The ministry estimates that investment of at least $50 billion is needed to put the industry back on its feet.

Official Details Pay Raise

PM0309125193 Moscow KRASNAYA ZVEZDA in Russian 1 Sep 93 p 1

[Interview with Major General Viktor Rudik, chief of the Armed Forces Directorate for the Employment and Remuneration of Civilian Personnel, by Petr Altunin; place and date not given: "First Category on the Wage Scale—8,000 Rubles"]

[Text] The Russian Federation Government adopted decree No. 870 "On Increasing the Monthly First Category Wage Rate (Salary) of the Uniform Wage Scale for Remunerating the Labor of Budget Sector Employees" 30 August 1993. As of 1 September, this rate (salary) is set at a level of 8,000 rubles [R].

It is for the Russian Federation Ministry of Finance to determine the procedure and sources of finance for expenditure incurred in implementing the said decree.

The editorial office asked Major General Viktor Rudik, chief of the Russian Federation Armed Forces Directorate for the Employment and Remuneration of Civilian Personnel, for brief explanations of the new document.

[Rudik] The increase in the monthly rate of pay for the first category of the wage scale signifies a corresponding rate increase of 0.78 percent for the other 18 grades too.

[Altunin] Given the instability surrounding the budget, the idea that it is for the Finance Ministry to seek out sources of finance prompts fear. What if they cannot find these sources?

[Rudik] If the Council of Ministers has adopted this decree, then it means that everything has already been taken into account. The money will be there. I am certain of this.

[Altunin] What about civilian personnel in the Army and Navy—will first category wage rates be R8,000 for them too?

[Rudik] Civilian service has been militarized in terms of the dangers involved and the assumption of greater workloads. As such, our sector has its own peculiarities. Wage rates for first category employees on the Uniform Wage Scale established for national economy employees will be applied in the Ministry of Defense but with an amplification of between 10 and 50 percent—that is, from R8,800 to R12,000—depending upon the workers' category, their sphere of activity, and other factors. For instance, the wage rate for somebody employed to clean official premises was R6,750, whereas now it will be R12,000. A first category engineer who used to earn R17,470 now earns R31,060.

In connection with the increase of wage rates, the size of allowances, additional payments, and bonuses will go up accordingly.

[Altunin] How will this decree be implemented in the Army, and under which procedure?

[Rudik] A directive from the Russian Federation Defense Ministry will be published very soon. The draft is basically ready. After this, the finance organs will start paying out salaries at the increased rate. Simultaneously with the directive's distribution, once it is signed, we will dispatch telegrams to the troops to speed up payments.

Commentary Criticizes Government's Handling of Pay Raise

PM0709114993 Moscow ROSSIYSKAYA GAZETA in Russian 1 Sep 93 First Edition p 1

["Express Commentary" by Aleksandr Golyayev: "You Will Not Starve to Death in the Fall"]

[Text] Working people in the budget-financed sphere have been waiting all summer for the government to respond to their demand to increase the monthly pay rate for grade-one workers. The waiting is now over.

As of 30 August, as a result of Decree No. 870, signed by the government chairman, Grade One of the General Pay Scale goes to 8,000 rubles [R]. Thank you for responding.

Sure, eight is more than four, four and a bit, that is: The old rate was R4,250. But is there any reason to rejoice? Of course not! Just think about it: Bread made from superior-quality wheat flour costs R123 on average in Russia. One liter of gasoline costs R117.3. You don't know whether to laugh or cry!

Personally I liked V. Chernomyrdin's directive: "The Finance Ministry is to define the procedure and sources for financing expenditure associated with the implementation of measures envisaged by the present decree (No. 870, that is)."

There were reserves, apparently, and they need not have waited until the last moment, the day before the start of the protest action by the budget-financed sectors' trade unions, to make the long-awaited decision. Indeed, it was not made yesterday, merely promulgated: It is clear, in fact, that the decree was not signed at the door of the aircraft that was taking the premier to the United States, but long before that.

"Indexing of pay has been delayed," Igor Klochkov, chairman of the Federation of Independent Trade

Unions of Russia, said on the telephone. "It should have been done back in the spring. It plugs holes instead of taking specific measures to improve the state of the economy. We are saddened rather than delighted by the government decree, since it does not ease the tensions and merely puts off the solution of fundamental questions. Prices will triple, quintuple tomorrow. What will the government do? Humor us again? Relieve the pressure?

August's Inflation Hits Five-Month High

PM0709144993 Moscow IZVESTIYA in Russian 1 Sep 93 First Edition p 4

[Report by Irina Goryacheva of the Economic Situation Center under the Russian Government: "Moscow and St. Petersburg Are No Longer the Most Expensive Cities in Russia"]

[Text] During the period 17-24 August average inflation in Russia was slightly less than the week before and stood at 4.3 percent (5.3 percent the previous week). But the level of inflation since the beginning of August (25 percent) has already appreciably exceeded the figure for each of the previous five months of this year.

During the period 17-24 August foodstuffs went up in price by an average of 3.9 percent (3.7 percent the previous week). During the first three weeks of August there was continued outstripping growth in the prices of vodka, which last week went up a further 11.2 percent (in all, an increase of one-third since the beginning of the month). But the increase in the prices of bread and bakery products and flour, which went up 7.3 and 6.5 percent respectively during the week, was more palpable for the population. The prices of meat and fish products and of groat, pasta, and tobacco products increased 3-4 percent during the week. At the same time the seasonal drop in fruit and vegetable prices is continuing.

On the whole, the general increase in food prices since the beginning of the month amounted to 17 percent. The price of bread in August (as of 24 August) went up 28 percent, that of meat products and flour 20 percent, sugar 18 percent, and dairy products 17 percent.

An increase in food sales was noted in six of the 11 economic regions last week. This particularly applied to regions with inexpensive food: In the Volga Region the population bought 10 percent more food than the previous week. A drop in food sales affected the East Siberian Region most, where the population reduced its purchases by more than 9 percent during the week.

Last week the increase in the prices of basic foodstuffs in nonorganized trade continued to lag appreciably behind their growth in stores in all kinds of ownership. As a result, prices increased almost 20 percent in stores since the beginning of August, but only just over 3 percent in the markets.

As of 24 August, the average cost of a basket of 19 of the most important foodstuffs stood at 18,100 rubles [R] per month. This is 1.3 percent more than a week earlier and 4.1 times more than last December.

The list of the most expensive cities in Russia with regard to the cost of the basket is headed by Magadan at R48,400, Yuzhno-Sakhalinsk at R39,700, and Petropavlovsk-Kamchatskiy at R38,400. The basket of the 19 most important foodstuffs costs the inhabitants of the Far Eastern Region an average of R31,200.

The Volga Region, where the average cost of the basket for the region stands at R13,200, remains the least expensive. The least expensive cities in Russia are there: Ulyanovsk at R10,200, Kazan at R11,600, and Naberezhnyye Chelny at R11,700.

The biggest internal regional discrepancy in the cost of the basket of most important foodstuffs is in the West Siberian Region: R30,900 in Surgut and R13,000 in Omsk.

On 24 August the cost of the basket of the 19 most important foodstuffs stood at R21,600 in Moscow (R21,900 the previous week) and R20,600 in St. Petersburg (R20,800). The slight drop in the cost of the basket is a result of the seasonal fall in the prices of fruit and vegetable produce in the city and informal markets of these cities. Of the 70 cities being monitored, Moscow now ranks 28th in terms of high prices, and St. Petersburg ranks 36th.

Central Bank Manipulates Exchange Rate

PM0309124793 Moscow IZVESTIYA in Russian 2 Sep 93 First Edition p 4

[Ivan Zhagel report: "A Stable Ruble Exchange Rate Would Look Unseemly Today"]

[Text] The latest auction at the Moscow Interbank Currency Exchange on 1 September notched up a record on several counts. Above all, for the first time at a single auction the volume of advance supply of and demand for currency topped the 100-million mark, being $129.800 million $126.490 million respectively.

The final volume of transactions—$127.830 million—was naturally a record, too. And as the supply of currency exceeded demand the dollar rate fell by 1.5 rubles [R], compared with the previous auction, to R991 to the dollar.

However, the sharp increase in demand for currency was wholly predictable, as the rate of the dollar had slowly climbed since the start of the week and all players in the market, frustrated by the economic instability and contradictory forecasts, were simply bound to rush to buy up foreign currency.

It is also clear that the Bank of Russia had had to make constant currency interventions in the market in the last week to 10 days to counterbalance the growing demand.

Admittedly, the interventions varied a lot in size, ranging from $6 million to $50 million daily, according to specialists. And here the question arises: If intervention was carried out, surely it could have been done on a bit larger scale to ensure that the rate stayed where it was without fluctuating and panic-buying was prevented?

However, the small fluctuations on the Central Bank exchange are most likely deliberate. First, because a completely stable ruble today somehow even looks unseemly and uncharacteristic of a market. And second the bank wants to tell, as it were, all the market players that small deviations in the rate are still no grounds for panic-buying. And, having lowered the rate of the dollar at the last auction after its small increase, the Central Bank has reacted to the game played by many banks and businessmen, that is to say, has taught them a lesson. It may be a somewhat harsh lesson but it is, I think, a necessary one. Otherwise any slight deviations in the exchange rate would in future produce turmoil everywhere here.

Economic Performance Indicators for First Half of 1993

LD0609213993 Moscow Russian Television Network in Russian 1245 GMT 6 Sep 93

[From the "Business in Russia" program; from the "Vesti" newscast]

[Text] Analysis of the economic situation in July shows that the economy is inclined toward crisis phenomena: the Russian GDP amounted over the seven months of this year and in current prices to 54.5 trillion rubles [R] and declined by 14 percent relative to the same period of last year.

The national income, relative to the January-July period last year, has declined by 16 percent and amounted to R43 trillion.

According to the Russian Government's economic center, the general inflation index 10-17 August amounted to 105.3 percent and 120 percent since the start of the month.

During the first six months of this year and relative to the same period of last year, Russian oil extraction declined by 14 percent; production of gasoline declined by almost 15 percent, coal production declined by 9.5 percent.

The indebtedness to the fuel and power engineering industries has reached R4.2 trillion. More than R123 billion were additionally transferred to the state budget over the past six months as a result of the tax service's work to bring to light and put a halt to tax law violations and as a result of fines. More than R215 billion were additionally transferred to the state budget over the past two months as a result of major violations of the tax laws which were brought to light.

Stock Market Performance for First Half of 1993

LD0709220893 Moscow ECONOMIC NEWS AGENCY in Russian 1300 GMT 7 Sep 93

[Text] According to the data from the Russian Ministry of the Economy, in the first six months of 1993 the total volume of transactions by 12 major stock exchanges was 20 billion rubles. The appearance of short-term state bonds on the stock market played a decisive role in increasing volume indices. For now this is the only visible measure taken by the state to structure the securities market. The long-awaited law on securities and stock exchanges has not been adopted yet. For seven months the securities market continued to develop randomly, in conditions of free competition, accelerated by the turbulent and contradictory process of privatization.

Privatization has a clear influence on the stock market. Normally only a small fraction of securities appears on stock exchanges, while most of the action takes place outside the stock market. Nevertheless, the volume of transactions in joint stock securities increased 67 times in six months. However, the secondary stock market is still at a considerably lower level. It mainly handles shares in commercial banks.

In the last several months credits and resources from deposits remained the main commodity at the stock market. Until May they represented more than half of the total volume of transactions on Russian stock exchanges. Now the situation is changing. Money transactions are increasingly handled by interbank associations and credit shops.

Zaveryukha Details Agricultural Equipment Problems

LD0309184693 Moscow ITAR-TASS World Service in Russian 1051 GMT 3 Sep 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow, 3 Sep—The Russian Parliament has created a state committee for machine construction and servicing the agricultural sphere, and the food and processing industries at the request of President Boris Yeltsin. It will be created on the basis of the structural divisions of the Machine Construction Committee, which deals with tractor and agricultural machinery construction issues. Vice Premier Aleksandr Zaveryukha, a representative of the president, spoke in Parliament and noted that a difficult situation has arisen in agriculture with regard to providing agroindustrial goods producers with equipment and the spare parts for the equipment.

An analysis of the situation shows, according to the vice premier, that deliveries to rural areas of tractors, agricultural machinery, and processing equipment at present are at the levels of the end of the 1960's, and that the

pool of equipment available is incapable of fulfilling the necessary volumes of work in the optimum agrotechnical timescales.

As Aleksandr Zaveryukha said, the present situation is made worse by the fact that more than 40 percent of the necessary equipment is produced outside Russia, which does not allow a large amount of the technologies used in agriculture to be completely mechanized, as a result of which labor losses for produced output are growing.

Opposition to Freeing Grain Prices

MK0709101293 Moscow KOMMERSANT-DAILY in Russian 7 Sep 93 p 2

[Sergey Klyuchenkov report under "Free Grain Prices Not Introduced" rubric: "Agricultural Producers Fail To Support Boris Fedorov's Initiative"]

[Text] One of the questions discussed behind closed doors at the 27 August session of the Council of Ministers Presidium was a proposal by Finance Minister Boris Fedorov to abolish the institution of recommended grain procurement prices. Agriculture Ministry experts last week prepared a letter to Prime Minister Viktor Chernomyrdin describing the introduction of free prices as inexpedient at the present time. Yesterday Agriculture Minister Viktor Khlystun signed the letter.

Last June the Finance Ministry put forward the idea of free grain prices during a discussion of state procurement prices for grain. At that time, however, the initiative drew no response.

It is hard to tell what prompted the cabinet to respond this time. It is not ruled out, however, that the government is beginning to seriously think about the prospect of huge payments to agricultural producers for the new harvest's grain deliveries to the federal and regional funds.

Whereas in previous years a number of ministries and the Roskhleboprodukt and Rospishcheprom corporations signed agreements on recommended procurement grain prices, this year the government has assumed full responsibility for prices. The introduction of procurement prices exceeding market prices by more than 40 percent put independent traders out of action, but the time is near when Viktor Chernomyrdin will have to answer to agricultural producers for the state's debts.

Boris Fedorov's initiative did not arouse any surprise in the Agriculture Ministry. According to Leonid Kholod, head of the ministry's prices department, the Finance Ministry's attempt to proclaim a free grain market looks very ill advised since in some form or another the state's main grain supplier—Roskhleboprodukt—will demand not only financing at the previous level but also clear-cut guidelines about the prices at which it may buy grain from producers.

It is hardly likely that the fate of the resolution "On a Free Grain Market" will in any way affect independent traders' present situation. No surge of activity in the market can apparently be expected until November, i.e., when agricultural producers get tired of waiting for the money to come from Roskhleboprodukt.

Grain, Potato Harvesting Progress Updated

PM0709133393 Moscow ROSSIYSKIYE VESTI in Russian 3 Sep 93 p 3

[Report based on data of Russian State Committee for Statistics: "Pace of Harvesting Growing, Pace of Sales Falling"]

[Text] By 30 August grain crops in Russia had been threshed on exactly half of the sown area, whereas by this time in 1992 the grain had been harvested on 59 percent of the area.

In all, 61.4 million tonnes of grain has been threshed—an average of 22.8 quintals per hectare—against 21.7 quintals per hectare by this time last year.

Some 14.2 million tonnes of grain has gone into the state resources—677,000 tonnes (5 percent) more than during the analogous period last year. The state's share amounts to 23 percent of the grain threshed.

The pace of grain sales to the state during the past week stood at 1.7 million tonnes against 3.7 million tonnes during the preceding week. Some 7.7 million tonnes has gone into the federal fund—65 percent of the set target for deliveries.

One-third of the harvest has been sold to the state by farms in Orel, Ryazan, Belgorod, and Volgograd Oblasts and Tatarstan, where the necessary grain resources have already been marshaled for delivery to the federal fund.

Stavropol Kray continues to be slow at selling grain. State purchases of grain on its territory amounted, as previously, to just 500,000 tonnes (11 percent of the amount threshed), while grain resources for delivery to the federal fund have been marshaled to the extent of just one-third.

The potato harvest has begun. As of 30 August, potatoes had been lifted over an area of 13,000 hectares (2 percent of the crop area)—last year on 23,000 hectares (3 percent).

This year's later harvesting times have meant a lag in carrying out work to lay the foundations for next year's harvest. By the end of August winter grain crops had been sown on 5.0 million hectares, and fall plowing had been carried out on 5.8 million hectares—one-third less than a year ago.

Peasants Fail To Sell All Grain to State

PM0709133593 Moscow ROSSIYSKIYE VESTI in Russian 1 Sep 93 (Delo Supplement p iii)

[Unattributed report as part of the "Delo" Supplement under the "Monitoring" rubric: "Purchases"]

[Text] As of 31 August the state had purchased 14.159 million tonnes of grain from peasants. Lengthy delays in making payments for the grain offered is hindering procurements. Just 1.7 million tonnes of grain were deposited in grain silos in the past week. This is some 2 million tonnes down on the previous seven-day period.

In theory, according to Aleksandr Kudel, vice president of the "Khleboprodukt" Federal Contract Corporation, the peasants could have sold grain to the value of 500 billion rubles [R] per week beginning 1 August. So far the Finance Ministry has earmarked just R717 billion for state grain purchases. Thus, a substantial portion of the harvest is lying on threshing floors, and its fate is as yet unknown.

Stockbreeding Productivity, Feed Production Improve

PM0709143793 Moscow IZVESTIYA in Russian 1 Sep 93 First Edition p 2

[Valeriy Konovalov report: "There Will Be More Feed for the Livestock, So We Are Not Threatened By Famine Either"]

[Text] The improvements that have recently taken place in Russian agriculture have been confirmed by new figures from the State Committee for Statistics: In comparison with last year, the productivity of livestock breeding and feed production has risen.

Until recently, the fall in the numbers of cattle and poultry was approaching a critical level, beyond which irreversible consequences could have occurred. Essentially the entire sector was in danger. You cannot say that all unease has passed. But the situation is becoming increasingly stable. The number of cattle in agricultural enterprises has fallen by 4.4 million head (10 percent) in comparison with last year, and that of hogs by 4.1 million head (18 percent) but, on the other hand, poultry numbers have risen by 32 million (9 percent). As a result of the reduction in head of livestock, the volume of production of meat, milk, and eggs has also dropped. But at the same time the productivity of all types of output has grown. The productivity of cows in the grazing period rose above last year's level. The milk yield per cow was 100.4 percent compared with last year.

There is a similar situation with feed procurement. In comparison with last year, only 87 percent of the area of natural and sown grass crops has been mown by the same date. However, the productivity of feed production is far higher this year. And so a total of 5 percent more feed has been procured than by this time last year. The amount already sown is 6.3 quintals of feed units per standard head, or 15 percent more than last year.

So there will be no problems with feed in livestock breeding in the coming winter. And this means that no crisis threatens the situation in livestock breeding as a whole, in other words the production of meat, milk, and eggs.

Government To Cut Food Imports

MK0709132693 Moscow KOMMERSANT-DAILY in Russian 7 Sep 93 p 3

[Nikolay Chernykh report under "Food Imports Cut" rubric: "The Government Adjusts Import Policy"]

[Text] The efforts of the Russian Agrarian Union, which is seeking state guarantees for priority development of the agroindustrial complex, are beginning to produce concrete results. As is known, agricultural producers regard as one of the basic elements of these guarantees ending budget subsidies for the import of basic foodstuffs and raising import customs tariffs. Yesterday Vice Premier Aleksandr Zaveryukha held a working conference that discussed the question of cutting imports of foodstuffs and agricultural raw materials.

The question of cutting imports of food and agricultural raw materials was not raised accidentally, in light of acute shortages of state hard currency resources and the government's consistent policy aimed at ensuring a positive foreign trade balance. Thus, in the first seven months of this year the overall volume of Russian imports fell by nearly 50 percent compared to the same period in 1992. Another reason forcing the government to considerably cut—and on some items to halt completely—the import of foodstuffs is the tough position of the Agrarian Union and the Russian Agrarian Party. Their demands to the authorities include stopping "budget subsidies" for grain, milk, vegetable, wool, and other agricultural produce imports, directing these resources to support domestic producers, and also raising customs tariffs on the import of foodstuffs to Russia. Thus, the government is being urged to impose protectionist measures to support the Russian agroindustrial complex. In addition, according to Agriculture Ministry predictions, this year a bumper grain crop is expected in Russia—about 120 million tonnes (the gross grain yield in 1992 was 106.9 million tonnes). This creates conditions for substantial cuts in food imports, especially grain—to five to six million tonnes next year.

Chaired by Vice Premier Aleksandr Zaveryukha, the conference was fairly representative in spite of its working character. Representatives from the Economy Ministry, Finance Ministry, Agriculture Ministry, Foreign Economic Relations Ministry, State Customs Committee, and other departments coordinating the import of foodstuffs and agricultural produce took part in it. As of the time this issue went to press, the conference had not ended. KOMMERSANT- DAILY will report on its results tomorrow.

Military Issues

Army Remains Loyal to Government Despite Difficulties

LD0509134993

[Editorial Report] Moscow Radio Moscow World Service in English at 0610 GMT on 5 September broadcasts its 19-minute "Mailbag" program. Reception is good.

Listeners are given information about the effects of the collapse of the Soviet Union on the judicial system in Russia, science students, the textile industry, and monasteries. Superstitions and the rise of new age philosophies are also discussed.

A Polish listener writes: "I have read about the difficult situation faced by soldiers who left Eastern Europe and about the increase of antagonistic atmosphere in the barracks in relation to the government. Is this true?

The announcer says: "That is partly true. The Army is going through hard times, as is the whole of our society. The situation is indeed difficult and there is a certain discontent in the ranks. However, I can safely say that the Army is loyal to the people, the government, and its commander in chief, President Yeltsin.

"The Defense Ministry is doing its utmost to reduce social tensions in the ranks. A government program for the social security of servicemen is being implemented. Officers' wages have been raised substantially. Servicemen, from privates to generals, now receive remunerations ensuring them and their families a decent life.

"A major part of the military budget is now spent on providing the troops withdrawn from Eastern Europe and the former Soviet republics with proper living conditions. Parliament has earmarked financial resources to build half a million homes for officers' families in the next two years, with 150,000 to be completed this year.

"Much is being done to supply all garrisons with kindergartens, schools, and outpatient clinics. The provision of foodstuffs has been improved considerably. So the situation is changing for the better.

"When he visited the Taman Motorized Infantry Division recently, President Yeltsin pointed out that the Army had already overcome the psychological shock produced by the collapse of the Soviet Union. The Russian Army exists as a powerful, highly organized, disciplined, and well trained force, he said."

Defense Ministry Underfunded by More Than R500 Billion

PM0809075793 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 93 First Edition p 3

[Unattributed report from the "Yesterday, Today, and Tomorrow" column: "Armed Forces Left Without Money"]

[Text] The Russian Defense Ministry regularly suffers a shortfall of monetary resources to provide the Armed Forces with equipment.

At the end of August the state's arrears amounted to more than 270 billion rubles [R] for scientific research work and more than R300 billion for scheduled [seriynyy] supplies of arms and equipment.

Grachev on Financing

LD0509111993 Moscow Ostankino Television First Channel Network in Russian 0720 GMT 5 Sep 93

[Remarks by Defense Minister Pavel Grachev from the "Polygon" program; place and date not given; remarks are interrupted by unrelated news stories—recorded]

[Text] The army is currently a powerful technical complex. All the best engineering minds are, at the very least, no longer being concentrated for producing equipment in the army. If we are the best at creating such powerful equipment and weapons, then it should be intelligent people who use them. [break in Grachev recording]

Financing is the most painful issue. If we are somehow managing with the monetary allowance for servicemen, this does not mean that provision for the army is simply a matter of monetary allowances. It is primarily the ordering new models of weapons and equipment from the factories. The issue of supplying spare parts for equipment that we already have is very painful at present, as is, of course, the financing of scientific and research work if we want to modernize our equipment. In this context, I appeal to everyone: We need help. Once this issue is resolved, you will be able to ask us for reforms. Until then, I can honestly say that neither I nor even the person who replaces me will be able to cope with reforms. [break in Grachev recording]

It is not Grachev or the leadership of the Defense Ministry or the general headquarters of the army that need the army—it is the people that need the army.

Kokoshin Attends Moscow Air Show, Meets Officials

PM0809105193 Moscow KRASNAYA ZVEZDA in Russian 7 Sep 93 p 1

[Defense Ministry Information and Press Directorate report: "Defense Order Under Threat of Disruption"]

[Text] During the Moscow international aerospace show Andrey Kokoshin, Russia's first deputy defense minister, held a series of meetings with the general designers and leaders of enterprises producing aviation and rocket equipment and discussed with them the prospects for the development of the relevant arms systems and the most acute current problems which enterprises in the defense complex have run into. Also taking part in the conversations were Colonel General Valeriy Mironov, deputy defense minister, Colonel General Vyacheslav Mironov, Russian Federation Armed Forces chief of armaments,

and Colonel General of Aviation Petr Deynekin, commander in chief of the Air Force.

Andrey Kokoshin noted that the Defense Ministry is short of approximately 400-410 billion rubles in resources needed to ensure the state defense order for the manufacture of series-produced output and for scientific research and experimental design work. The problem, in his words, is further complicated by the fact that the funds that the Defense Ministry does receive are lagging a long way behind the rate of price rises and are paltry. As a result, the fulfillment of the state defense order for 1993 is being disrupted. The conclusion of contracts for the 1994 state defense order is also in jeopardy. The participants in the meetings noted that a whole series of production units are in danger of collapse and that social tension among the collectives of defense enterprises has risen sharply.

In this situation the Defense Ministry is raising as a matter of acute urgency with the government the question of immediately solving the problems of adequate funding both for series production and for research and development, especially since they are defined as protected budget items. This could be achieved, among other things, through the receipt of a targeted credit from the Central Bank for the needs of the Armed Forces, the defense industry, and the law enforcement organs, too.

Soskovets Attends Air Show

LD0309213193 Moscow Russian Television Network in Russian 1900 GMT 3 Sep 93

[From the "Vesti" newscast]

[Text] First Deputy Prime Minister Oleg Soskovets visited the air show at Zhukovskiy today. At the same time, First Deputy Prime Minister Oleg Lobov was talking about the state of our economy.

[Correspondent Lillevyali] It emerges that Russia's Defense Ministry has not received a sum of many billions to cover the state defense order for output of serial production and carrying out scientific and design projects. As for the funds the Defense Ministry actually does get, by the time they arrive they lag chronically behind the increase in prices. This means that a whole series of programs scheduled even by the 1993 budget cannot be carried out, to say nothing of laying the foundation for the order for next year, 1994. Many industrial enterprises producing aviation technology are threatened with collapse. There has been a sharp rise in social tension in collectives.

Oleg Soskovets listened attentively to the leading aviation designers and said that conversion is by no means a panacea. No one in the world cuts production of goods which can be sold at a profit.

Speaking of arms exports, the first deputy prime minister commented that excessive centralization and politicization in the matter of supplying arms to foreign countries is preventing Russia from conquering a market. It is therefore essential to free the arms trade.

The first deputy prime minister also said that foreign firms have a great interest in cooperating with Russia in building aircraft, particularly in equipping Russian aircraft with electronics and engines, but Russia is itself capable of manufacturing aviation equipment competitively, as is graphically demonstrated here at Zhukovskiy, Oleg Soskovets stressed.

New Developments at Air Show

PM0309134593 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 2 Sep 93

[By Boris Baryshnikov and Yuriy Kovalenko from Moscow Air Show; from the "Novosti" newscast]

[Text] [Presenter Mishina] Today was Military Space Forces' Day at the International Air Show in Moscow. For the first time, they presented the full range of our equipment for launching satellites. Incidentally, the cost of one launch totals around 50 million rubles.

[Baryshnikov] Never before has it been possible to bring together so many aircraft, helicopters, and ultralights of various classes and purposes in one place. This is appreciated not just by specialists and businessmen, but also by Muscovites and people from neighboring oblasts, who are happy to visit the air show. All these machines can take to the skies at any moment to give a practical demonstration of the achievements of our Russian scientists and designers, as well as those from many other nearby and distant foreign countries. Watching the skill of the aces is sheer pleasure. Mutually profitable deals and orders are concluded on the spot.

But what salon is complete without a premiere? This one is no exception. Here are just two new developments—this powerful amphibious craft [video shows Beriyev Be-12P] has been re-equipped for dousing forest fires. The Taganrog aircraft builders are successfully finding their bearings in the conversion market.

And this even more powerful airliner [video shows Il-96M] is the brainchild of the Ilyushin aviation complex and the Voronezh aircraft plant.

[I. Vorobyev, Ilyushin aviation complex deputy chief designer] The Il-96M was created by the Ilyushin Aviation Complex in cooperation with two major U.S. companies [Pratt & Whitney and Rockwell-Collins]. At present, 25 of these aircraft have been ordered in the CIS, and there is also an option, i.e., a tentative order for another 15. In Brussels, the Partnair company ordered five of these aircraft.

Report on Latest Aircraft Designs

LD0409230193

[Editorial Report] Moscow Radio Rossii Network in Russian at 1403 GMT on 4 September carries a 17-minute recorded report by correspondent Vladimir Belov, for the "Quest" program, from the air show taking place in the town of Zhukovskiy near Moscow.

Belov reports that 500 Russian and foreign firms are taking part in the air show. He says that the Russian aviation industry is exhibiting more than 100 passenger and fighter aircraft.

Anatoliy Protukhin, deputy chairman of the defense sectors of the Russian Federation, then says that Russia registered 2,592 world aviation records from 1936 to 1993, of which 1,008 have still not been broken. According to Protukhin, the TU-160 strategic bomber—called Black Jack in the West—holds 44 world records. It travels at twice the speed of sound and can carry 12 cruise missiles and a large number of bombs over an almost unlimited distance. He adds that experts believe that the TU-160 may potentially be used for civilian purposes to launch light artificial satellites of different types.

Academician Rustislav Belikov, chief designer of the new MiG-31 interceptor exhibited by the Mikoyan design bureau, says that the MiG-31—which is like a mini-AWACS, but with striking power and capable of flying long distances—is called upon to guard the unprotected expanses of the Russian north, where there are few airports and poor information facilities.

Belikov says: "Its advantage, in particular, is its system of weapons control and the weapons themselves, because there is a well-perfected radar system that allows a very large area to be surveyed. It makes it possible to pick up many targets simultaneously, to process the information, to target them, and to release four missiles at different targets simultaneously. Besides this, the system allows for work in a group, allows them to give each other information, and to comb a large corridor. For instance, four aircraft can comb a corridor something like 900 km wide."

Although allocations for defense spending are continually dwindling, Belikov says, the need to continue aircraft development is important because this stimulates technological development, which then trickles into the national economy. He says that expenditures on aircraft development have been 10 percent on design, 20 percent on construction and delivery of the aircraft, and 70 percent on its operation—fuel, spare parts, repairs, stretching resources, and servicing.

Asked about conversion, Belikov says that the Mikoyan design office spends 40 percent of its time on aircraft for the national economy, including international projects such as developing aircraft for training purposes, light air-cushioned aircraft that can take off from any surface, aircraft for local air routes, and business aircraft. He adds that they are also designing a supersonic aircraft for business purposes.

Belov then reports that the Sokol aircraft works in Nizhnyy Novgorod, which specializes in MiG production, is preparing to produce the Dingo aircraft, with an air-cushioned chassis that will be called upon to replace the helicopter in the Siberian taiga and the far north.

Aleksey Astrov, head of the department of the scientific production enterprise Aerorig, describes the aircraft. He says: "There are few aircraft like it, or hardly any at all. This aircraft is intended to land on water or on an unprepared area. On taking off from water, it can go across any sand banks. It can land on snow and on flooded airports. The aircraft has a cruising speed of 250 km per hour and a maximum speed of 310 km per hour. It carries seven passengers and one pilot. It can cover a distance of approximately 1,500 km. It flies at a height of 2,000 meters. The cabin is not pressurized. One can fly up to a height of 2,000 meters without pressurization. It has an air-conditioning system. This makes it possible, in practice, to make it ready at any airport: to prepare the aircraft for take off, and to warm it up without feed sources and heating installations at the airport.

"It is a multipurpose aircraft. The turbo-ventilator unit under the aircraft that creates the cushions makes it possible to work in temperatures of -50 C; that is, it is possible to take off almost without preparation."

Astrov concludes that the aircraft is more economical to operate than a helicopter.

Belov then reports on the Krasnopresnya exhibition complex, above which an SS-25 solid fuel missile is being raised. He states that these missiles will now be used for peaceful purposes, for launching satellites weighing up to half a tonne.

Belov says that the new Il-96M airbus is being exhibited at an air show for the first time. Academician Genrik Novozhilov, chief designer of the airbus reports that the modification of the new airbus with a fuselage nine meters longer took only 18 months. He says that the aircraft will carry 380 passengers instead of the 300 carried by the Il-96-300 aircraft and that the flying distance has been increased by installing U.S. engines and equipment. Novozhilov adds that 18 foreign firms have been involved in developing the Il- 96M.

Belov goes on to speak about the beetle-shaped EKIP—Ecology and Progress—flying machine. Its chief designer, Professor Lev Shukin, describes the aircraft's ability to land on air cushions. He says it has cushions instead of a chassis. Shukin says that three versions are being developed: an 8-tonne single-deck craft carrying 20 passengers; a 120-tonne aircraft with three decks—two for passengers and one for freight; and a 35-tonne aircraft with engines produced by the Zaporozhe works and an engine from the Saturn design bureau for creating the cushions.

Belov concludes with a report on the Aviatika enterprise that was formed two years ago by three large former USSR aviation enterprises producing light aircraft. Igor Penkov, director of the firm, tells listeners why the firm has been so successful. He admits that they use Austrian engines. He says that 172 aircraft have been delivered to customers, and another 400 are to be delivered before the end of the year.

Military Space Forces Participate

LD0509215993 Moscow Radio Rossii Network in Russian 1600 GMT 5 Sep 93

[Excerpt] The international aerospace salon opened on Tuesday [31 August] in the Russian capital and in the town of Zhukovsk near Moscow. The Russian Military Space Forces [MSF] are participating in it for the first time. MSF now have a number of interesting proposals for joint work in international projects. The Russian MSF are entering the world market with 10 modifications of rocket carriers, the meteorological space apparatus Meteor-3 and the global navigation satellite system Globus. It was these apparatuses that were displayed at the exhibition.

On Tuesday, journalists met four European cosmonauts in Star City who started training in August for space flights in the Russian Mir station. It was announced at a news conference that the Spaniard Pedro Duque or the German Ulf Merbold will go on a 30-day flight. From the Russian side, Aleksandr Viktorenko, Yelena Kondakova, Vladimir Dezhurov, and Aleksandr Kaleri will start training for this flight.

A 135-day flight is to commence in August 1995. The German Thomas Reiter and the Swede Christer Fuglesgang will train for this mission. One of them is to work in the Mir station as a flight engineer and even to go out into open space.

On 31 August the Russian MSF launched the Tsyklon rocket carrier with the satellite Meteor-2 from the Plesetsk cosmodrome. The Meteor-2 itself was used as a launching site for the German micro-sattelite (Timisat), which separated from the Russian vehicle 11 hours after reaching orbit. Timisat has been launched in the interests of the Italian company Telespazio. It will monitor the ecological situation in the region of the Mediterranean and first of all in the region of the Apennine peninsula. [passage omitted]

Air Show Ends

LD0509125793 Moscow ITAR-TASS in English 1207 GMT 5 Sep 93

[By ITAR-TASS correspondent Yevgeniy Nikitin]

[Text] Zhukovskiy, Moscow Region, September 5 TASS—Numerous visitors to the first international Moscow Aerospace Show-93, which has come to a close, have been able to get acquainted with both elegant and supercomfortable civil airliners and combat aircraft austere in design and equipment.

Demonstration flights are the pride of any air show and Moscow was no exception in this sense. The greatest interest was generated by the performance of unique and super-elaborate aerobatic manoeuvres by Russian pilots.

Visitors to the Zhukovskiy part of the air show pointed out that they, unfortunately, practically did not see foreign aircraft performance in the Moscow skies, and therefore were unable to judge their qualities if only from the amateur point of view.

As far as professional evaluations are concerned, they are well known to specialists: Not a single foreign air pilot or foreign combat aircrat performs such aerobatic elements as Ultra-C, Pugachev Cobra or Kolokol (Bell).

On the threshold of a new millennium, the integration of world achievements in aircraft construction and space research acquires great importance, Yuriy Nagayev, director of the Zhukovskiy part of the air show, told ITAR-TASS.

The Russian air show stands a fine chance to reach out to the level of highly reputed foreign air shows and, maybe, become the pacesetter in aerospace development efforts, he said.

Speaking at a press conference, Mr Yo Glahe, president of the Glahe International, the main sponsor and organiser of the Zhukovskiy part of the air show, expressed confidence that Moscow would join the group of leaders among international air shows.

Designer Stresses 'Topol' System's Safety Features

PM0609131793 Moscow KRASNAYA ZVEZDA in Russian 31 Aug 93 p 2

[Interview with Lev Solomonov, deputy general designer of the Topol RS-12-M Mobile Missile Complex, by Aleksandr Dolinin; place and date not given: "'Poplars' on the Highway: Is The Operation of Mobile Missile Complexes Dangerous?"]

[Text] It would be no exaggeration to say that each missile launcher is comparable to a nuclear power station or a powerful chemical enterprise. What about the Topol [Poplar] RS-12-M mobile missile complexes? How dangerous are these 100-tonne machines when they are traveling along the highways? In the past, the mass media have carried reports claiming that the maneuvering and operational characteristics of the Topol are less than perfect. What are the facts?

Lev Solomonov, deputy general designer, now answers this and other questions.

"How dangerous is the Topol?", Lev Semenovich repeated. "It is extremely dangerous when used in

combat conditions, but it is guaranteed safe in peacetime conditions—a safe danger, if you like."

[Dolinin] But you will agree that no machine is absolutely faultless. How is the guaranteed safety of this weapon ensured in practice? For the people servicing it, the specialists, for example?

[Solomonov] Let me tell you about the following incident that occurred. A 'Groza Yevropy' six-axle mobile launcher carrying the well-known SS-20 missile overturned and fell into a ditch. The driver had fallen asleep during the nighttime journey—and that was the result. How did this sorry story end? Like this: The crew was in a state of alarm; the control sections had buckled under the weight of the vehicle... But the missile launcher was intact, as it was meant to be.

A few hours later the upturned vehicle was righted again and hurried off to the technicians to be repaired, as though nothing had happened. In 15 years of operating the SS-20 such incidents have happened, although not often. They ended when the special training for the drivers was improved, a special system for the organization of maneuvers was developed, and conditions for drivers upgraded.

[Dolinin] Could there be catastrophic consequences in the situation that you described?

[Solomonov] One does not normally make categorical assertions when talking about machinery. Members of the crew, for example, could be injured. As happens in any road accident. After all, driving a vehicle like this is a monotonous occupation and, in certain conditions, could lead to a loss of concentration even to the point of falling asleep at the wheel. Thus the experience of battlefield operation required a special training for the drivers and the search for simple medical and technical means of ensuring objective monitoring of the driver's state.

But no matter what the driver does, we have designed a three-level safety system that precludes disasters.

[Dolinin] Could you tell us about that safety system in greater detail?

[Solomonov] The missile is fitted with solid-fuel engines that are safe to operate. It is encased in a secure missile canister. The launcher has been assembled in a special way.... There are dozens of other safety features that were tried and tested long before the equipment was supplied to the troops. In short, the designers take care over their "iron and plastic offspring." When the technical means of ensuring safety are exhausted the men in uniform come to fill the gap. They operate the equipment in such a way as to ensure that it is absolutely safe.

[Dolinin] Does this mean, Lev Semenovich, that weapons with potentially awesome destructive power can be submissive and obedient to operate?

[Solomonov] This is not just possible; it is how it actually is, as confirmed by 25 years of front-line practice. Not everyone knows that the first mobile complex went into service with the Rocket Forces back in 1966 (when it was operated by the Ground Forces). This was the "Temp-S" with a two-stage intermediate-range solid-fuel rocket, which was scrapped under the Treaty on Intermediate-Range and Shorter-Range Missiles. Not once during the operation of this missile complex did the conditions for a major accident occur.

Of course weapon safety is a complex concept. It is not restricted just to the ability to withstand the impact of road accidents. We also take into account formidable natural phenomena (imagine the impact of lightning alone), a whole range of variations from the operational norms (damage to power lines, for example, or fires), and finally the state of mind of people who may even try to knock out systems that are very well protected....

[Dolinin] Precisely....

[Solomonov] Do not be alarmed. Nothing will happen to these strategic weapons. You will have to take my word for it, I cannot tell you everything here. But lightning and fires are no threat to the Topol system. You yourself have written that the Topol will not go up in flames.

Many years of work by the designers, military quality control representatives, testers, and operational staff have made the mobile missile complexes safe to operate.

Western Group of Forces Denies Corruption Allegations

LD0409143393 Moscow Mayak Radio Network in Russian 1300 GMT 4 Sep 93

[Text] The Western Group of Forces Press Center has denied a report by the INTERFAX and POSTFACTUM news agencies that there is a system of corruption within the group of forces. In the Western Group of Forces, no one hides the fact that individual offenses do take place there, the statement says in particular. Thus, in 1992-93, 18 criminal actions arising from mercenary crimes against state property were brought by the military procuracy. Twenty-four persons are under investigation, but allegations of the existence of a system of corruption are completely unfounded.

Soviets Must OK Release of Deputies From Military Service

PM0709101393 Moscow KRASNAYA ZVEZDA in Russian 2 Sep 93 p 1

[Sergey Sergeyev report: "Ask Soviet Before Releasing Serviceman-Deputy"]

[Text] The Russian Federation defense minister has issued Directive No. D-79 of 15 August 1993 "On the Features of Service By Servicemen Who Are Local Soviet Deputies."

It states in particular that people's deputies who are servicemen can be released from military service only with the consent of the local soviets, irrespective of the grounds for such release. Submissions regarding the reassignment of servicemen or their release from military service should indicate that they belong to the category of people's deputies.

Supreme Soviet

Khasbulatov Views Collapse of Union, New Ties

MK0409104793 Moscow DEN in Russian No. 35, 5-11 Sep pp 1, 2

[Interview with Supreme Soviet Chairman Ruslan Khasbulatov by DEN editor in chief Aleksandr Prokhanov: "Do Not Play Games With the State and Always Be Honest With Friends"; place and date not given]

[Text] [Prokhanov] At age 55 I can look back and say frankly that I have had a happy life filled with a profession I love, friends, freedom of choice, a vast information space, and good health. This is all true. I never expected, however, and I did not think that I would experience an enormous personal tragedy, a tragedy that even my father, who died in the Patriotic War, probably did not experience. What I call a tragedy is the destruction of my Motherland—the Soviet Union.

I know that your views on what happened in December 1991 have changed during these past two years. In 1991 my political and cultural environment and my comrades-in-arms, for instance, did not count you among our allies but among our opponents. Gradually, however, I think that, owing to certain political factors—the logic of political philosophy and political development—your deeds and your actions have made you a convinced statist [gosudarstvennik]. First of all, I would like to hear your opinion on the phenomenon of the disappearance of the USSR and on the possibility of restoring, maybe not the Soviet Union, but our Eurasian superstate.

[Khasbulatov] I will say frankly that you phrased it very aptly—"a personal tragedy." My relatives and I have felt the same thing—however paradoxical it might seem to some people.

You know that my family, like our entire people, was deported in 1944 to Kazakhstan and, in effect, to western Siberia. Eastern Kazakhstan Oblast is on the very border with Siberia. My mother found herself with four children (I was the youngest) in a small village called Skvortsovka in temperatures 40 degrees Celsius below zero. My mother worked on a collective farm as a dairymaid.

Yesterday evening we sat with her for a long time (my mother is now 88 years old, and she lives with me) and she said to me: "How is it that we have lost everything now? When we were deported and I worked as a dairymaid in Skvortsovka, I felt more confident than I do now." This is an assessment of the current situation by a woman who appears to be illiterate but who feels and judges things very acutely.

I cannot agree with your statement that my views on the Soviet Union have changed. Never in my life did I entertain the thought that the collapse or destruction of the Union was necessary. I often spoke on the subject with Gorbachev—at meetings of the Security Council and the Council of the Federation. Yeltsin usually did not attend the meetings and I had to do it myself... I even published then my program called "Confederation."

I had an objective: not to allow the collapse of a single state space, including the Baltic republics. What was the centerpiece of that draft? It was the retention of a single energy supply system, a single defense complex, a single air space, no internal boundaries, and so forth. This would have been actual federalism under the guise of—the hell with it—a confederation. I conducted talks with leaders of the Baltic states, and even they agreed at that time...

What did I want, desperately? Not to allow what occurred later. But it was as if I were running against a wall with no understanding—on the left wing, on the right wing, and at the center...

Of course, one has to say bluntly that there were objective reasons for the mounting destruction and centrifugal processes under way at the time. However, in order for this irrational objectivity to become a fatality there must be someone's subjective will.

My disagreements with B.N. Yeltsin began not at the Sixth Congress but one year earlier, when I refused to take part in the Novo-Ogarevo process. The contradictions grew immediately after the attempted coup was quashed, when—influenced by the crest of euphoria at the time—I was pressured to convene an emergency congress to abolish the system of soviets. Many people were frightened and confused then, and this scenario could have well been realized. I was firmly against it.

The Belovezhskaya Forest agreements came while I was on an official visit to South Korea. Gorbachev phoned me and asked what was to be done.

Naturally, I suspected that something was under way, but I was kept at arm's length. When I asked before the congress, "Have you been up to something? Tell me..." they responded, "No, just routine talks approved by Gorbachev. Take it easy, go ahead."

The first thought that came into my mind in Seoul was how to avert a military clash. This threat was starkly real. I spent a sleepless night mulling over what stance I should take, and finally I made up my mind: if it happened, it happened. We have to choose a new path.

But... Let my tell you a story. Later, one of the leaders, feeling relaxed, told me at a meeting: "How they are afraid of you, indeed they are! In the small hours, Burbulis says: 'Sign it! Or else Khasbulatov will be back,

and he is not like Gorbachev. He will send in a battalion of paratroopers and order your arrest. Sign it.'" This was, he said, the ultimate argument that forced the three leaders to sign those agreements.

I have always opposed the collapse of the Union. All the more so because a referendum was held in March 1991. There was no ignoring the will of the people. Then, in March, a clear-cut, unequivocal choice was made.

[Prokhanov] Ruslan Imranovich, two years after the collapse unhappiness, pain, and suffering reign over one-sixth of the planet. Sometimes I imagine an angel flying over the Soviet Union's territory who sees groaning people everywhere, crying orphans, the distress of broken families, and the destruction of potential, nature, and humanity itself. The undoing of the Soviet Union is not so much a geopolitical catastrophe but a cosmic drama...

[Khasbulatov] ...the shattering of centuries-long traditions and links. We have one history, after all. Did we not have life, a state, the people, and greatness before October 1917?

[Prokhanov] The winds of reintegration are currently blowing ever stronger. With swelling force the eagerness for unification is gaining ground in all republics and regions. It has turned out that living apart is impossible. Entire civilizations disappear: in some regions they plow with a wooden plow...

Businessmen and capitalists also favor unification. So do sulky old-style orthodox communists who advocate a strong state. So do cultural figures. So do extremists of yesterday. So do members of the Russian Orthodox and Moslem faiths... To all appearances, they want unification, but of a new kind and in a new form.

How would you assess the power of reintegration? What are the channels for conducting and accumulating this power?

[Khasbulatov] Centrifugal trends were on the increase during the Gorbachev years because of his weakness, sluggishness, and inefficiency in decision-making and because of his attempts to increase his personal power to the detriment of a young democracy, the Supreme Soviet, and the congress. Gorbachev's attempts to conduct behind-the-scenes separate talks... All this has raised doubts in many strata of society as to the viability of Gorbachev's Union. Although the people plainly opted for the Soviet Union, confusion was fairly great in December 1991. This accounts for the indifference to the Belovezhskaya Forest agreements, but there are other reasons for that. It was solemnly announced that the Union will be replaced by "the durable CIS."

Nonetheless, this disintegrating trend has strongly affected the intelligentsia, the working class, the scientific elite, and political elites. Seeing Gorbachev's woeful helplessness, even though he was entrusted with nearly dictatorial powers, everyone believed that they would find it easier to tackle their problems on their own.

Of course, professional economists saw that those hopes were illusory. Why did I support Yavlinskiy's draft for all its faults? Mincing no words I said that, as a professor, I would have given the author an "unsatisfactory" mark for the program, but at that moment the draft could have played a certain consolidating role because virtually all the republics were involved in drafting it, including the old Russian "autonomies."

Yet another incentive for disintegration that is still alive at present is the aspiration of local political elites and leaders for autonomy and the acquisition of larger pseudo-state attributes. Take, for instance, Dzhokhar Dudayev and others.

Do you remember the episode with Gaius Julius Caesar? He met on the Rhein with a chieftain of one of the Germanic tribes in vassallage to Rome. Dressed in animal skins, he was cheerful and arrogant. One of his retinue said in jest: "Look, Caesar, how proud this savage is, who thinks himself great and glorious." And the future emperor spoke meditatively: "Perhaps I myself would prefer to be the top man here than the second one in Rome."

Psychologically, as I have observed over the last three years, this great leaderness [vozhdizm] factor has played a very powerful role, sometimes rejecting all sensible arguments involving the strategic interests of these regions themselves.

Nearly two years have passed. I would not like to lay it on thick and maintain that we have already turned into a wilderness, but it is a fact that we are in a semiruined state. As a professional economist, I have always written and said that we have something profoundly unique that sets us apart from all other state associations. For example, the single energy system of the Soviet Union—it is really a global achievement. In Western Europe this does not exist and will not come about for many years to come. I never thought that it could be destroyed, but it is already beginning to deteriorate. Or a single railroad system, or pipeline system.... After all, this is an indication of the low intellectual level of all those leaders who have consciously gone ahead with destroying all these unique, incomparable things.

Look at the single space complex—they are trying to destroy it. The defense complex—they are trying to destroy it. And the Russian Federation, unfortunately, is setting an bad example. At present there is no longer any sense in talking about conversion. It, this "conversion," has already done what it has. Today one must think about how to restore the defense industry so that it can ensure the security of the Russian Federation and our allies. I am not even talking about industry, cutting-edge technology....

I have traveled extensively around the country and am saying now what I have seen with my own eyes....

Sometimes things are nothing short of a tragedy. Recently I visited a fairly unique defense industry enterprise. The launch systems of virtually all weapons systems depend on its production. And this enterprise now has no state production orders! In another six months it will cease to operate completely and will be put out of commission. The general director asks me: "What is this? Do Russia and its allies no longer need defense?" And I, chairman of the Supreme Soviet, do not know what to say. After all, I am not the head of government or a member of the government.

The situation is really tragic, but movement toward rapprochement is already under way; a totally new stage has begun. I meet fairly often and talk on the phone with Nazarbayev. It was he who formulated the need for an economic union. A very serious discussion on these problems is under way here and at the interparliamentary assembly.

Unfortunately, the leaders of Russia's executive branch, alarmed by the trends towards integration, are doing everything to prevent them. Moreover, they are using treacherous methods. For instance, Nazarbayev was the first to put forward an idea about a defense and economic union. And suddenly.... It is indecent, not the done thing in international practice, to steal the ideas of another president. But someone appropriates it, saying: "It is my idea."

[Prokhanov] Are you referring to the so-called Slavic union?

[Khasbulatov] Yes, and this is being done deliberately, as a blind. It is very well known that there is a leader there who will never agree to such a union.

It is being done treacherously in order to prevent unification and in order to breed suspicion among those who could agree to such a union. In addition, in the sphere of currency, financial, credit, and trade relations such actions are being taken so as to finally cut the historical umbilical cord linking the republics of the Soviet Union and to prove that integration is no longer possible. At the same time ambitious tasks are being proclaimed: We want this and we want that....

Look, the comprehensive security treaty, the idea of a single strategic forces command was rejected. And yet the Lisbon Charter is based on the idea that the nuclear button belongs to us—the commander in chief of the joint strategic forces. This post was abolished under pressure from the Russian Defense Ministry. This is clear.

There are two lines of development involved here. The Supreme Soviet, for all its shortcomings—all parliaments in the world have their shortcomings but nevertheless, the Supreme Soviet is the most necessary institution of supreme state power in our country, without which the state is simply unviable—very firmly supports the activity of the interparliamentary assembly, regarding it, first of all, as a forum contributing to legislating harmonization; second, as a forum to exchange opinions on complicated problems with colleagues; and third—I shall be frank—I regard the assembly as a prototype for a future parliament uniting the peoples on some foundation—I do not want to say "confederation" or "federation". I think that with time our parliamentary assembly could also adopt binding decisions for all.

[Prokhanov] A Eurasian parliament?

[Khasbulatov] Yes, a Eurasian parliament. By the way, Aleksandr Andreyevich, you have reminded me of something. At present I am also trying to clear up the meaning of the concept "Eurasia," the theory of Eurasia....

My colleagues support me. I do not have much disagreement with them on these questions—in particular, on questions of rapprochement and the creation of power institutions common for all CIS states. Often in conversations with my colleagues, chairmen of the supreme soviets of the former Union republics, we come to the conclusion that conferences by heads of our states are being used for purposes of disintegration. Above all, this is the fault of the Russian side, which does not prepare properly, does not provide serious documents, very often acts in a hurry, does not oversee the implementation of the agreements signed, does not submit them for ratification, and so forth.

I should like to make one special point. Why did the people react so calmly in December to the Belovezhskaya Forest agreements? Because they hoped that a new form of union would emerge—the CIS. Frankly speaking, I myself had illusions that the CIS, as history's most robust child, would make it possible—even if within the framework of a confederation—to preserve a single citizenship, a single army, a single transport system, a single energy system, and a single defense complex. It seemed that this was a way out of sorts.

Okay, the Baltic republics—if they want to, we shall let them go. But we should conclude long-term treaties on the leasing of ports and bases with them. After all, the people of the entire Soviet Union already invested hundreds of billions of rubles into the economy of these republics.

I know this very well as a former expert, an adviser for the USSR State Planning Committee, and I have traveled around many republics and regions. I became a professor, a Ph.D. holder, at a relatively young age. I have more than 50 pupils who have defended their doctoral and candidate dissertations and now work in all the republics of the Union and in many countries of the world.

It seemed like this was an alternative. But what does it add up to in reality? It appears that it has been a deception. Either it was done deliberately or there are no forces today capable of implementing what was proposed at the very outset. It seems that the CIS is turning into nothing. And this is why people are saying: "We

have been deceived." We parliamentarians, however, must ensure the implementation of these treaties.

Implementation of the CIS treaties must be given the same top priority as the implementation of domestic laws. The peoples of the states that have signed these agreements must demand from their leaders their execution or an explanation why these accords are not being fulfilled. It seems to me that it is time to carefully appraise, using qualified jurists, what has been promised in place of the USSR and find out why these promises have not been carried out. It is high time to do this.

We in the Russian Federation Supreme Soviet are extremely concerned that CIS treaties are not being observed and that this international alliance is being eroded. This is impermissible. I must be the first to say this. It appears—and I not trying to brag—that I, as chairman of the Interparliamentary Assembly of CIS States—am today the highest official throughout the entire CIS, higher than any president.

[Prokhanov] Thinking about historical cycles recently, I have come to the following conclusions. There was the tsarist Russian empire—with its intrinsic ideology and own course of development. It flourished and reached its peak. Then gradual regression began and the time came when the empire collapsed. With it, the ideology also collapsed. In a trivial form, it—this ideology—was expressed in the formula "Orthodoxy, Autocracy, Nationality."

In the end any political or geopolitical construct exists only as long as its ideology, idea, and eidos also mysteriously exist.

Then the great Soviet Union emerged, with its refined ideology, a powerful social cosmology, and a large corporation of high priests directing this ideology. But then it also withered and disappeared. The Soviet Union died, apparently, when its ideology died.

However, the need to fill this Eurasian cup and be together is still alive, and we shall begin—maybe we have already begun—to create a third super state. And this super state will also need its own ideology. I think that this future ideology will consist of two components.

The first is security. Each people, each ethnic group, each region in our Eurasian space must understand that they can survive only by uniting within this new unity. The formula of security and development for each people and region in this new unity, or union, must be uniform. Alone, each is doomed. The security formula in the new conditions must include all the carefully elaborated nuances of individual (personal), private (social institutions), and general (Eurasian super state) security. This first component is negative, as it were: We cannot live apart because then we shall perish.

The second key component must be related to the image of the future, the image of an inevitable, unique civilization emerging in the Eurasian space, this Slavic-Turkic melting pot. This image is already discernible: in characteristic psychocultural types, in traditional forms of dreaming, in futuristic aspirations.

The present-day dominant standard of civilization will certainly die—with its cult of consumption, its ideal of individualization, and its sophisticated bureaucratic oligarchy. This global socioeconomic system has led humanity to a deadlock—economic, moral, and religious. In place of this "mass consumption" society, several new civilization models will likely emerge, interacting and competing with each other at the same time.

Within the framework of the impending Eurasian civilization, the model of our traditional, historical world perception and world outlook must be realized and our unique way of living must be materialized.

How do you perceive, feel, and reflect on the problem of an impending new ideology that can unite us?

[Khasbulatov] Let me start with the term "empire." I have used this term fairly often, but not in the sense that empire means evil, destruction, the dissolution of the small within the large, and so forth. Among classical empires—the Roman, British, Habsburg, and French empires—the Russian one was fairly unique.

The viability of "the third Rome" was determined by the fact that horizontal integrationist processes were actually unfolding there. As for wars along the borders, on the periphery, they were waged not between peoples but between political entities. The Caucasian war in the mid-19th century, for instance, was a war against the state of Shamil. At the same time, many representatives of the North Caucasian peoples, including my ancestors, fought in Suvorov's battles. Finally, a broad devolution of power in governing the empire's outskirts was accompanied by strict centralization for the internal provinces [guberniya]. As a matter of fact, all these characteristics were retained and survived into the Soviet period.

This is actually the external side to ideology. However, you are right in the sense that in the 20th century one ideological paradigm substituted for another in our state space. In the tsarist empire the well-known "triad" represented the ideological linchpin. It was propped up by specific authoritative bearers: soldier, clergyman, and teacher. This continued for centuries. The past 75 years, however, have seen a different ideological pattern.

Of course, ideology should also be worked out at the conceptual level. Let us look at people first, however. The thing is that our man has remained unchanged. Most importantly, he—this man—was brought up in deep long-standing cultural traditions. And he—the Russian man, the Russian citizen—is not a slave or a servant. What is there then? There is need, material need, and a traditional dependence on the state and on authority. Just as many centuries ago everything hinged on the bureaucracy, and 25 years ago the Party and Soviet apparatchiks determined everything, so now

everything depends on the bureaucracy. In the end the entire ideology boils down to this dependence.

You spoke correctly about the idea of security. What should be at issue, however, is not the security of a region or a republic, but the security of the individual—a physical, political, and economic security. This is why the lawmaker should strive to strengthen this individual security, including defending it from the state. This should be done by strengthening the state through the rule of law and not on the whims of those same bureaucrats who can even turn back aircraft in flight.

Another subject is what specific shape our democracy is going to take. I flatly reject those who say: "...Russia is a country of slaves; they need a whip and an iron hand." This is a deliberate lie. Why was it that at the period that was most difficult for me personally—after the referendum—I turned to the history of land assemblies [in Muscovite Russia]? I did this to say, "Look! Our history is indeed glorious and is in no way inferior to that of Western democracies." Why should we underestimate our forms of social self-organization that used to exist and were probably better than anywhere else? This is why I turned to the experience of the Novgorod Republic and Volgo-Vyatskaya Republic...

How can one ignore the legislative efforts of Russian emperors, especially Empress Catherine II [the Great]. She did not carry through all her reforms, but she reinforced the state and created prerequisites for the country's progress and well-being. She did not encourage thieves and criminals from among the courtiers. Catherine said bluntly: "Bribery among top officials breeds profligacy in the entire state."

I like poetry and prose by Gavrila Romanovich Derzhavin very much. Once, he came to the empress and complained that his cousin was missing. What did Catherine II respond? "This cannot be, Gavrila Romanovich; no one can disappear in Russia without trace." Imagine that: 200 ago in the so-called "bloody" empire there was a regime under which no one could disappear without a trace.

And what do we have now? Look what is going on in Moscow and its outskirts. This is proof of the complete failure of the current executive branch.

Of course, we need an ideology based on the idea of the security of the individual, on the idea of his distinctiveness, cultural and historical birthmarks, characteristic features of this people's messianic self-perception, on their dream...

Each of us has his own village, his own city where he was born, brought up, and where his parents and relatives live. But if we live in one state, in this sense we are one people with a common historical past.

I recently visited Stalingrad and Orel. You know what? The collapse of the Union deprived entire peoples of some of their heroic memories of their participation in the great war. It was the victory of the entire Soviet Union and all its peoples. Naturally, the Russian people played a decisive role. But we should not forget that, for instance, Panfilov formed his division in Almaty.

What about now? It is painful to hear that currently so-called personalities are emerging in Russia who mock the poem "Leningraders, You Are My Sons" by the great people's poet, Dzhambul, a poem devoted to the Leningraders who survived the blockade. He wrote it sincerely, from the bottom of his heart.

They say "the Soviet people." I believe that this is really so. Only, this people took shape not in the 75 years of the Soviet period but over many centuries of living and acting together. It is no coincidence that among many peoples, their command of Russian is better than that of their own national language. And there is nothing bad about that. Why should we strive to forget a language that in cultural terms enriches your personality, yourself, and your people to a greater extent than the command of a less rich language? This does not at all mean that the language of your ancestors should be consigned to oblivion—it ought to be developed and enriched further. But we do strive to learn world languages, and Russian is a world language, the bearer of the highest culture.

We should not only ponder but also carry out many things concerning social and political engineering and ideological developments. Not on the basis of party teachings, but by putting an individual in the middle. This is precisely where the term "sovereignty" should be used —the sovereignty of the individual.

I am a principled opponent of any regional or republican sovereignties... The thing is that these forms of sovereignty suit local elites perfectly well. Instead of the Union and, later, federal sovereignty, the desire to obtain regional sovereignties is gaining momentum, while the most backward relations are being frozen at the district level and oppression by the authorities is growing more severe. It is not be chance that bureaucratic pressure is currently stronger than it was some years ago.

This is why reasonable decentralization should be accompanied by very high efficiency among the federal authorities. This requirement should also become an element of this ideology.

What is it that should be the overall centerpiece of this ideology? We talked about special functions of the soldier, the clergyman, and the teacher. Why should they not exist now as well as others? Is the role of the teacher less important today? When I meet with my colleagues—teachers, professors—they say bluntly: "You are condemning us to deprivation!"

[Prokhanov] If the clergyman is a symbol of religious cognition, then the teacher is a symbol of rational, scientific cognition. And in the future a variety of forms of accumulating knowledge will dominate, not a variety of forms of consumption.

[Khasbulatov] Indeed, this is why it seems to me that we need to get back to them, as we need to get back to a special role of the soldier. This is not because we have been weakened. I have always held the view that a great country should have a great army. The army is a political tool. A weak army entails weak policy. This is why pacifist games do not behoove a great power. A great power serves as a balance in global politics as it counterweighs the pressure exerted by the other side. As a matter of fact, even its allies are concerned about the pressure of this side.

[Prokhanov] You mentioned the interparliamentary assembly as a possible retort of political technologies facilitating the future unification of our peoples. However, currently this is only a possibility, an eventuality. So far many republics and regions have swallowed so much of this "sovereignty" that they have experienced and still experience literally a national tragedy. Maybe this is their karma through which they will get rid of shrewd leaders, restructure their national elites, and the desire to return to a common state, and our common historical destiny will drastically increase. But it is precisely the technology of this return that matters. What ways do you see?

[Khasbulatov] I am absolutely sure of one thing, though you may say that I am over optimistic. Had we not been prevented from it, we could have resolved all these questions connected with unification and consolidation through this same interparliamentary assembly. I repeat, this is not bringing back the old Union—this scares many people today.

Regretfully, however, the Russian executive branch is hindering things a lot. As chairman of the interparliamentary assembly I often land in awkward situations precisely because of the role played by the government and other structures of the executive branch in the integration process.

Had the Russian Federation Supreme Soviet, the president, and the government hammered out a serious integration policy—economic, defense, cultural—with the CIS countries, among others—we would have gotten a meaningful political result.

Take those attempts to establish Russian Federation borders! I think that many leaders do not even realize that the borders of the Russian Federation are longer than those of the Soviet Union.

Disintegration strengthens bureaucracy. I wrote two books about bureaucracy in the Soviet Union—I condemned it, criticized, fulminated against it.... What now? We now have 2.7 times more bureaucrats than there were in the Union, and the budget has become more centralized than that of the Union. It now appears that we also need more border guards and a bigger army, given the fact that the army has grown weak.

It is as if we are expanding the levers of disintegration. There is no concept of domestic and foreign policy. There is no concept of priorities. All these things should be determined by the congress and the Supreme Soviet upon representation by the executive branch.

Why should we treat as priorities the far abroad? As an international economic relations specialist, I am no adversary of the United States or West Europe, but I am a rationalist; I am a statist. From the point of view of common sense, our priorities should be all former republics of the Soviet Union, including the Baltics. We are economically interdependent—this is an axiom. It is obvious that relations with Ukraine, Kazakhstan, and Belarus should be priorities, but our Foreign Ministry is looking for priorities in California.

Right after the emergence of the CIS, I proposed the creation of a strong ministry for Commonwealth affairs, naturally with a strong foreign ministry. Instead, we got Shelov-Kovedyayev. That is the extent to which an idea can be debased! Governments come and go, but state policy should remain consistent.

I often meet with many representatives of CIS republics. They come over here, and in the government they are told to talk to some inspector, pleading, "I am busy, I have a visitor from California," who is here to perhaps obtain yet another export license. I have to conduct talks and make some decisions on these matters. For example, I happened to talk about monetary reform with all the leaders—parliamentary and executive. I explained the position, promised help, did something, etc. Someone has to take care of these things.

Speaking about ideology, we should remember that it—this ideology—rests on fundamental ideas and interests, priorities of the state, which affect every person.

What did we get accustomed to living in the Soviet Union? To the idea that we were representatives of a great power, that we were something to be reckoned with and respected. What happens now? In many cases, our tourists are treated like garbage today. The idea of greatness, you know, is directly related to ideology.

I once wrote that a nation's greatness does not depend on the size of its population or territory. Consider that we seem to have population and territory but no greatness—because ideology has vanished. Even if it, this communist ideology, was, as some believe, depraved, it still inspired people, dominated and shaped a certain type of a person. It determined integrity and lent confidence. That ideology achieved results, even if only for a limited historical period.

Therefore, our task at present is to shape a new ideology, not a party ideology, but a national-state ideology, and at the same time an individual one. I think we could have achieved this within the framework of the Union. But this did not happen. Yet.

[Prokhanov] I would like to highlight two points in our discussion. First, the desired harmony we want to achieve in our Eurasian native land is possible only after

we have achieved harmony right here in the Russian Federation, after our Russian misfortune has been overcome right here, the Russian situation stabilized, and the Russian idea you spoke about revived.

Second, the community of the "Soviet people" took shape since extreme antiquity (I deliberately exaggerate it: since the new Stone Age). In fact, the word "soviet" conjures up in us the idea of "communist." The so-called democrats, you know, gamble on this stereotype while demanding the abolition of the system of soviets....

[Khasbulatov] An amazing mimicry! Once they demanded: "All power to the soviets!" then....

[Prokhanov] ..."Power in one hand!" I think that Russia, despite everything, achieved through suffering precisely the soviet form of power. It is soviet power—universally understood—that is an ideal form of power for the future.

[Khasbulatov] There is yet one more important element. Soviets today, you know, are a way of life already. If soviets truly get strengthened and are granted real budgetary powers, this would indeed become the most effective prerequisite for the prevention of any form of dictatorship. Soviets in our country are indeed an historical form of popular sovereignty.

Look at what the opponents of soviet power are creating: a presidential council [presidentskiy sovet], a federation council [sovet federatsii], etc.

[Prokhanov] It is clear even on the semantic level that we should restore to the idea of "soviets" its original, supraparty meaning....

[Khasbulatov] ...which it was originally.

[Prokhanov] What is your forecast for September? I think that the final dramatic showdown is inevitable. This does not mean, of course, that there will be a storming of the Kremlin or "White House" or a praetorian coup....

[Khasbulatov] One of my forecasts has already been fulfilled. I said that there will be no lull this year. Social tensions will intensify in summer and continue in September. In September an increase in social and economic discontent should be expected. I am not expecting any dramatic battles. At any rate, parliament as an instrument for regulating political conflicts will follow a sensible, balanced position. We have many draft laws in our portfolio, including those providing for increased oversight functions.

In particular I recently proposed the adoption of three regulatory acts: "On Mechanisms for Enacting Laws After Overriding a Presidential Veto," "On Criminal Liability of Supreme Officials for Failure To Observe Laws of the Supreme Soviet and Resolutions of Congresses," and "On Criminal Liability for Nonexecution of Rulings of the Constitutional Court."

There is also a draft law on enacting the new constitution. There should be no illusions here that a single legislative act will be enough to put a new constitution or constitutional act into force.

The main thing, however, is that for the economy we intend to prepare, jointly with the government, a program based on the declaration of national accord on economic reform. In the end, I think, this program will be used as the foundation for forming a government of national accord.

It needs to be understood that we need an authoritative government of national accord that will be able to ensure a vital consensus in society.

I should like our influential groups, elites, and people at the grass-roots level to think carefully about this idea. This is more important than regular elections, early elections, and so forth. Why? Because the implementation of this idea will quickly yield the requisite result.

[Prokhanov] Passions will die down. After all, even failures by such a government will be perceived as failures of the entire society.

[Khasbulatov] Yes, precisely so.

[Prokhanov] Now you, Ruslan Imranovich, are in an optimistic frame of mind. You are smiling, you look elegant. Sometimes, however, you look exhausted, upset, and tired. What is the source of Khasbulatov's energy and vitality? Huge negative energy is being targeted at you—hatred, evil. You are at the center of a national calamity. What sustains you psychologically?

[Khasbulatov] I have already spoken about our deportation. Starting at the age of three or four, we did physical work, helping our mother. And in winter the temperature could drop to 40 degress below zero Celsius. After I completed my eighth year in school, I worked as a loader and then as a stone mason. At 15 I was carrying 104-kilogram sacks. I received good, essential physical training.

And something else.... When I left Almaty to come to Moscow, my mother told me: "Son, be honest with friends and do not play games with the state." And I remembered that my whole life. In our family such notions as honor and conscience were not mere words but a kind of cult. Just like envy, greediness, and so forth were ruthlessly condemned.

I shall be frank: Today what keeps me going is the understanding that I am needed in the current situation. This also gives me strength. I receive substantial support in the course of my trips. There are practically no ill wishers. I do not at all consider the Supreme Soviet absolutely innocent. We share much of the blame for begetting these diabolic forces and arming them with excessive powers.

Khasbulatov Meets TV, Radio Journalists 7 Sep

LD0709174893 Moscow Russian Television Network in Russian 1600 GMT 7 Sep 93

[From the "Vesti" newscast]

[Text] [Announcer Tatyana Khudobina] Ruslan Khasbulatov had a meeting today with the workforce of the Russian Television and Radio Company. Let me recall that this meeting was preceded by noisy polemics over the statement in the Parliamentary Hour program by the public committee, containig direct threats against journalists. Deputies taking part in the supervisory councils put their names to this statement and the Russian Television workforce reacted by demanding that these deputies be released from their duties as members of the supervisory councils and by suggesting that a strike committee should be formed.

[Correspondent K. Belov] Having familiarized himself with the Shabolovka TV center, Ruslan Imranovich Khasbulatov, chairman of the Supreme Soviet, came to the conclusion that working in such conditions makes it difficult for journalists to refrain from being sarcastic, something that people's deputies take so much offense at. Ruslan Khasbulatov then went to the company's headquarters at Yamskoye Pole and had a conversation with the company's leadership and a meeting with the journalistic workforce.

[Begin Khasbulatov recording] After all, I am very close spiritually to journalists. I myself wrote in those past years of ours, no less than you. I wrote things which were not used, or which were put in archives, and so forth; I have been in constant touch and I know what being a journalist means and how hard it is for journalists to earn their daily crust. [end recording]

[Khudobina] This despite the fact that in his view television is 99 percent to blame for the current confrontation in society. All the same, Ruslan Imranovich persisted in persuading journalists not to fear the creation of supervisory councils—because parliamentary control is by its very nature the least effective, Khasbulatov asserted; it cannot become an instrument of reactionary censorship. Parliament has always been and remains the most reliable defender of all those who do not violate the laws and the Constitution.

Khasbulatov, Intelligentsia Discuss Cultural Issues

PM0809101193 Moscow ROSSIYSKAYA GAZETA in Russian 7 Sep 93 First Edition p 2

[Tatyana Bulkina report: "Even Muses Impoverished"]

[Text] In this period of restructuring we are simply being lashed by a wave of cultural indifference. That is why last Friday's [3 September] White House meeting between R.I. Khasbulatov, chairman of the Russian Federation Supreme Soviet, and representatives of the creative intelligentsia was very important. Taking part in it were writers Yuriy Bondarev and Petr Proskurin, actor and composer Mikhail Nozhkin, actor and movie producer Nikolay Burlyayev, public figure Antonina Pikul, actress Lyudmila Zaytseva, artist Aleksandr Shilov, theater producer Igor Gorbachev, and many others.

Ruslan Khasbulatov expressed his view of the current state of society and of Russian culture. He believes that "people are coming to realize more and more that the representative authorities in the shape of the soviets are the only guarantee for democracy and the preservation of the state's integrity."

The meeting discussed the fact that today's rulers, in the guise of democracy, are essentially destroying Russian culture. Violence and debauchery are being preached, and moral values are being defiled. Honesty, probity, and love of one's motherland are considered things of the past. Commercialization is resulting in culture ceasing to serve the people. For instance, cinematography has been destroyed, many world-famous museums are curtailing their activity, and many prestigious music competitions are threatened with closure.

The meeting participants believe that the Russian intelligentsia needs help. The appeal "In Defense of Russian Culture" from the cultural figures states: "We expect decisive measures from the Supreme Soviet aimed at putting a stop to the spiritual corruption of society. We are counting on comprehensive support from creative workers and their professional formations... Along with power structures and public organizations, we are prepared to take part in the elaboration of a national program for the spiritual revival of the Russian Federation."

This is why I do not share the optimism of Russian Minister of Culture Yevgeniy Sidorov, who said at a recent meeting with journalists at the Russian-U.S. Press Center: "Despite the disastrous situation in which most museums, theaters, and libraries find themselves, the situation cannot be called hopeless. After all, culture has such internal strength that it can only be destroyed by destroying man too."

Abdulatipov Views Federation Council, Elections

PM0709114193 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 4

[Report on interview with Soviet of Nationalities Chairman Ramazan Abdulatipov by Aleksandra Lugovskaya; place and date not given: "Ramazan Abdulatipov: 'The Conflict at the Summit Is Deadlocked at a Critical Point'"]

[Text] The most topical issue in Russian political life is the creation of the Federation Council—yet another attempt by the president to extricate the country from the constitutional crisis. In a conversation with IZVESTIYA's parliamentary correspondent Aleksandra Lugovskaya, Soviet of Nationalities Chairman Ramazan Abdulatipov discusses possible scenarios of the dialogue

between president and parliament, early elections in Russia, the state of the conflict between branches of power, and his personal attitudes toward the direct participants in this conflict.

Ramazan Abdulatipov, who does not lean toward political extremes, undoubtedly influences the chamber's stance: Whenever the political situation has become dangerous for the country, the Soviet of Nationalities has repeatedly emerged as initiator of nationwide accord, of cooperation between president and parliament.

R. Abdulatipov said that the creation of the Federation Council will be the topic of discussion at the chamber and at the Supreme Soviet as a whole. "Since this question is being discussed in society, we must also define the extent of our own participation in the Federation Council's creation." According to R. Abdulatipov, parliament was wrong in refusing to participate in the preparation of a single draft constitution and thus aggravated the negative processes in society. But his sharp reply to my question about the way this new structure will be legitimized—"You are implying that I agree with its creation and the only thing on my mind is how to legitimize the Federation Council"—indicates that a thorny path has to be traversed before the new organ of power becomes part of Russian society's life.

First of all, R. Abdulatipov believes, it is necessary to put an end to idle talk about "will the Federation Council save or destroy us" and get down to seriously analyzing the purpose of its creation, its functions, and its prospects against the background of Russia's preservation. And if the interests of Federation components are underpinned by a desire to halt the processes of the state's disintegration and the legal chaos, by a wish to pursue reforms which are advantageous for society and reject those that are disadvantageous, if their interests include the consolidation of statehood, the achievement of accord, and the switch in relations between branches of power from a state of conflict to a state of dialogue, "I would be the first to back this idea." But he himself, just like many of those with whom he has discussed this idea, doubts the sincerity of the intentions of the Federation Council's new "founders," being aware that otherwise this organ, even though only consultative, could be exploited in the interests of political forces and could become an additional, maybe even the final, source of destabilization and cause of Russia's disintegration.

Thus, in his opinion, the extremely complex procedure for discussing this idea has been prompted by real necessity and not by some desire to block it "at inception." In order to give this process legitimacy, it is necessary to coordinate proposals by the president, heads of Federation components, and various conferences with the provisions of the draft Law on the Federation Council which has already been elaborated by parliament on instructions from the Third Congress of People's Deputies. This should be preceded by a detailed dialogue between the corps of deputies and leaders of Federation components—an amicable but at the same time exhaustive dialogue. This is because, in any case, parliament has the final say in the matter.

R. Abdulatipov believes that the elaboration of a common position will determine the legal parameters of the new structure's activity and, subject to a positive decision by the Supreme Soviet, will give society guarantees that it will function within the law's framework. Otherwise we will be unable to avoid the danger that it may be assigned the role of "personnel" serving political interests—some may fancy adopting a new constitution in a radical but unlawful fashion or settling accounts with a refractory parliament, others may see it as acquiring an instrument to influence the president and change the course of reforms, and finally there is the temptation for the leaders of Federation components themselves to create an organ of power "of and for themselves," in other words a self-service structure. The prospect of the Federation Council's automatic transformation into a future parliament's upper chamber could wreck the idea of its creation at the very first stage of joint discussion. All vague and "evasive aspects" without exception, R. Abdulatipov summed up, must be thoroughly worked out before the Supreme Soviet embarks on making the final decision.

While vacationing in his native Dagestan, R. Abdulatipov became finally convinced that the "Moscow squabbles" have already extended all the way to the Caucasian mountain villages, becoming the main initiator of conflicts in society "from top to bottom." Had there not been Federation components in our country today, "the country would have probably disintegrated by now." But, while noting the credit due to local, rather than central, authorities in this regard, he realizes that local bureaucracies would immediately go to excesses once the central power disappears: "The federal authorities must not abandon the people to the bureaucracy which removed the CPSU's muzzle."

R. Abdulatipov offered a harsh definition of the extent of conflict at the top echelons of power: "The conflict has already exhausted its potential, but I cannot see any people capable of reciprocal dialogue among those who are involved in it." There is also the additional danger that society has entered the phase of being accustomed to squabbles at the top and will be equally indifferent if the conflict were suddenly to end. But this is not expected because a fresh round of even harsher confrontation lies in store for us as soon as the idea of early elections comes to the foreground.

"All of us politicians have gone over the top—and the greater the conflict between us, the more actively we are driving society toward political schizophrenia. In this context I am very much afraid that social passions will get overinflamed. No matter how paradoxical this may sound, the 'salvation' of our multinational state today lies in interethnic conflicts which provide a safety valve for social dissatisfaction. But if we here, at the center, overstep the borderline of observing legality, including

as regards the Constitution, I think that all-embracing social conflicts will come up to the surface."

This was the first time R. Abdulatipov appraised the practice of collaboration between the two branches of power: Everything originating from the one side immediately arouses the other side's suspicions or is condemned.

"My own approach is to have more frequent meetings and talk to each other like human beings. I suggested this to R. Khasbulatov some time ago at a session of the Supreme Soviet leadership. I am convinced that we must not abandon the president to the mercy of right- or left-wing forces because the more we distance ourselves from him the more he comes under their influence. But the Supreme Soviet should not be abandoned to the mercy of 'extremist politicians' either. The president's mistake consists of the fact that, having 'snatched away' his supporters, he actually deprived parliament of their services. I tried to convince both Yeltsin and Khasbulatov that S. Filatov, one of Democratic Russia's leaders, should not be released, that releasing Yu. Yarov, one of the masters of political dialogue, would be a loss in terms of regional-territorial policy. I told them that S. Shakhray is a brilliant individual, someone capable of bringing a clear-cut juridical tone to the most complex and intricate legal decisions. I still like V. Shumeyko, with whom I worked at the Soviet of Nationalities."

According to R. Abdulatipov, the confrontation has led to a situation whereby the potential of hundreds of people, called upon to serve the Russian state and the development of democracy, is being wasted on trying to prove that "I am not a supporter of those who..."

"But I am not a supporter of the idea that the conflict boils down to just Khasbulatov and Yeltsin. If this is all it boils down to, then neither they nor we are worth a penny. In essence, they are very smart people who show understanding of many problems, people with whom it is possible to discuss matters. It may be that what I personally am coming up against is just a 'nomenklatura game' or the style of major leaders, but this has never produced opposition by either side, let alone clashes. Looking at each one of them individually, they are very much alike. Moreover, R. Khasbulatov is a direct pupil of B. Yeltsin's, having gained political experience thanks to him and having learned much from him. It is obvious, however, that the situation in which we have ended up, or rather in which we have driven ourselves, is affecting us more than we are affecting it. It seems to me that both B. Yeltsin and R. Khasbulatov feel the pressure of 'processes around them.' It is very difficult to get out of this situation, because they are not being allowed to get out."

In R. Abdulatipov's opinion, the president must take every opportunity to seek daily contacts with parliament because the 'supporters identified in advance,' who are maladroitly screaming into microphones in defense of the president, can only aggravate the negative moods and wreck businesslike proposals. At the same time, it would be worth the Supreme Soviet's time to devote several of its sessions to the status of the branches of power and maybe even raise this question at the Congress. So that everyone can get together and finally define the state's priorities and the liability for not observing them. To define the borderline of republics' autonomy and sovereignty, beyond which lie the disintegration of the state, the weakening of the economy and of state unity, the undermining of the country's security and defense capability, and the violation of the rights of citizens and ethnic minorities. On the other hand, R. Abdulatipov emphasized, diktat by the center is not permissible, either. It is easy to realize that it exists, all you have to do is listen to the speeches by top leaders during their "shuttle" tours of the country. The political center is vacant both in Russia and in relations between president and parliament and, the Soviet of Nationalities chairman claims, there is nothing more dangerous for society today: The chances of extreme political forces in the struggle for power are steadily improving.

According to R. Abdulatipov, the gravest political trial for Russia in the immediate future will be the preparations for the upcoming elections. Once again the process will be rendered more complex by the fact that all ideas originating "over there" will be questioned by the other side of the conflict, and vice versa. This means that points of contact should be sought and found before any ideas are proclaimed in society.

"I think that V. Sheynis, who heads the parliamentary group for elaborating the draft law on new elections, has done a disservice to the president. The fact that, following a discussion at the Supreme Soviet Presidium, this draft suddenly appeared in the form of a document drafted by the Constitutional Conference has no doubt complicated the chances of its passage through parliament. This is so for purely psychological reasons."

R. Abdulatipov announced that the Supreme Soviet has prepared—in a rough form, if truth be said—a whole package of legislative acts on elections. Deputies will start work on it at the session scheduled to open in September. But, in order to really embark on fresh elections, it is necessary "to honestly tell ourselves and the people" what system of state power we have in mind—the present one or something fundamentally different. If it is the old system, then the legislative base must be geared to it; if it is to be a fundamentally new one, this should be stated from the very beginning, at least by way of drafting a general outline. Otherwise it will be extremely difficult to produce a meaningful document.

Finally, about the bicameral model of the future parliament—with two autonomous chairmen of the chambers but without a single Supreme Soviet. If elections are not held in the next two years, R. Abdulatipov went on, we could reorganize our present parliament, bicameral as it is but working according to unicameral principles, according to bicameral principles and offer our society a

tried and tested system. He believes that an interim alternative is necessary for our state, even though this model has been tried and tested in democratic countries and has proved its viability.

Asked for his opinion about the date of elections in Russia, R. Abdulatipov replied: "Since this question has been raised as a matter of political principle today, I believe that the elections—which, I believe, should be held simultaneously—could be held in the fall of 1994. Since the two branches of power have failed to learn to work in conditions of dialogue, or are incapable of doing so, we must get off the stage together."

Sokolov Faults Finance Minister for 'Incompetence'

MK0309151793 Moscow SEGODNYA in Russian No. 46, 3 Sep 93 (Signed to Press 2 Sep) p 2

[Sergey Seninskiy report on interview with Veniamin Sokolov, chairman of the Supreme Soviet's Council of the Republic, under the "Personnel" rubric: "Russian Federation Supreme Soviet Finds the One Responsible for USSR's Breakup. Veniamin Sokolov Believes That Russia's Collapse Will Be Averted by Finance Minister's Removal"; place and date not given]

[Text] Veniamin Sokolov, chairman of the Russian parliament's Council of the Republic, believes that Finance Minister Boris Fedorov's removal from office will not be too high a price to pay for averting the collapse of Russia as a single state—which may come about as a result of a budget war between Moscow and the regions. In an exclusive interview with your correspondent, Mr. Veniamin Sokolov said that Boris Fedorov's incompetence and lack of professionalism in "practical matters" regarding budget policy were evident back in 1990, when he was finance minister in the government of Ivan Silayev. "At that time, by making a decision to drastically slash Russian payments to the Union budget, we effectively put an end to the Soviet Union as a single state," Veniamin Sokolov said, "and if we currently back the process of a 'budgetary divorce' between the center and the republics, the Supreme Soviet will also have to bear the blame for the breakup of Russia."

According to Mr. Sokolov, parliamentary Deputy Chairman Vladimir Ispravnikov has proposed using the regions' budgetary pressure on the federal government as a temporary political factor as long as the government refuses to execute the 1993 budget approved by parliament. The chairman of the Council of the Republic called this inadmissible but added several minutes later: "The most important thing now is to use this form of political pressure to change the makeup of the government, at least in part. In this case I mean specifically Finance Minister Boris Fedorov." In the parliamentarian's view, top officials at the Finance Ministry believe that financial stabilization in Russia has already set in, and now they can slash budget expenditures across the board. It is Boris Fedorov's personal stance, Veniamin Sokolov said, that finally triggered the current budget war between the center and the Federation components.

Rumyantsev on Constitutional Reform Resolution

LD0709172593 Moscow ITAR-TASS in English 1530 GMT 7 Sep 93

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow September 7 TASS—A plenary meeting of the Russian Parliament chambers on September 10 is expected to vote on draft resolution "on measures to ensure coordinated constitutional reform in the Russian Federation".

The draft was prepared by Executive Secretary of the Constitutional Commission Oleg Rumyantsev, who last week met head of the Russian president staff Sergey Filatov to discuss measures on coordination of stands of the executive and representative powers in the constitutional process.

The draft resolution suggests consultations between the parliament speaker and the president on coordination of the concept and terms of the reform.

Rumyantsev told ITAR-TASS the parliament meeting to discuss the document was a success, as deputies unanimously decided to put the issue on the session agenda. The voting on the draft was held after 6 p.m., when there was no quorum. A total of 101 deputies voted for the draft, and four were against.

That is why, it was decided to consider the draft "submitted to the Supreme Soviet" for voting on September 10, said Rumyantsev.

In his words, a group of deputies is working on the draft with due account of recent proposals. "A positive reaction of the presidential circle is important, as it will be offered by the Supreme Soviet on Friday to hold consultations on coordinated measures in connection with the constitutional reform in Russia".

Deputies Continue Working for Constitutional 'Compromise'

LD0709154393 Moscow ITAR-TASS in English 1352 GMT 7 Sep 93

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow September 7 TASS—Russian parliament members are not giving up efforts to find a formula for a compromise between the Russian president and the parliament, contributing to a reactivation of the constitutional process.

ITAR-TASS was told today by member of the Supreme Soviet and the Constitutional Commission Boris Zolotukhin that a group of mps [members of parliament] had

called a meeting the other day at the House of the Soviets to discuss a draft parliamentary resolution tabled by Executive Secretary of the Constitutional Commission Oleg Rumyantsev.

"The meeting was of a purely working nature and it is yet too early to speak about the contents of the document, although we hope that it will help the mps to work out measures to further promote the constitutional reforms," Zolotukhin stated.

He does not rule out that Rumyantsev's new proposals may be discussed by the Supreme Soviet already next Friday. It is worth recalling that his previous draft "on measures to ensure a concerted constitutional reform in the Russian Federation" was not even adopted as the basis for further discussion last week. It contained Ruslan Khasbulatov's motion to "hold consultations with Boris Yeltsin in order to agree on the concept and deadlines of a constitutional reform in the Russian Federation".

Deputy Speaker Comments on Federation Council

LD0709163093 Moscow ITAR-TASS in English 1532 GMT 7 Sep 93

[By ITAR-TASS parliamentary correspondent Ivan Ryabov]

[Text] Moscow September 7 TASS— The federation council should not be subordinated to the president, Deputy Russian Parliament Speaker Nikolay Ryabov in charge of constitutional reform said here today.

"If the council is set up by a presidential decree, its significance as a conciliatory body necessary for the federal state, will lower," Ryabov told ITAR-TASS. "Is it possible at all to oblige the presidential power with a decree, even the one of the president? Only goodwill of federation subjects is able to form this body."

Asked about work to create the federation council, Ryabov said "We receive reports on agreement or disagreement of federation subjects with the council-related documents: the agreement, the provisions on the council and its regulations".

The documents have been supported by 91 local representatives, 19 have rejected them. "Not all the republics, territories and regions, autonomous regions have made up their mind and informed us of their stands," noted the official.

"This week will witness only a general picture of the council's formation. The two thirds of federation subjects will approve the creation of the conciliatory body. However, documents require improvement, as opinions on them differ," he said.

In the opinion of Ryabov, much depends on President Boris Yeltsin. "It is insufficient to come to nothing more than a decision of republic heads, their recommendations and preparations and submission of corresponding materials to federation subjects. We need large-scale and profound campaign, probably, an address of the president, and a roundtable meeting to involve representatives of federation subjects, in short, we must coordinate all efforts, otherwise the idea of cooperation between the power branches will not be a success," he said.

In his words, two things will be most difficult to do: how to take into account the opinion of the minority in the future federation council and how to reach an agreement in the elaboration of provisions on place of the parliament speaker in this body.

Regional Affairs

Samara Oblast Ratifies Federation Council Agreement

PM0809100593 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 1

[ITAR-TASS report under the "From Our Correspondents and News Agencies" rubric: "Samara Deputies Change Their Attitude to Federation Council"]

[Text] The Samara Oblast Soviet Inner Soviet has ratified the agreement to create the Federation Council.

This agreement had been rejected at the previous session. The intention of Administration Head K. Titov to sign the agreement without the intractable deputies helped to persuade them. In addition, Oblast Soviet Chairman O. Anishchik also took a firm stand in support of the Federation Council.

Bashkortostan Rejects Russian Draft Constitution

PM0709141193 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 1

[Journalist Aleksandr Zinovyev report under "From Our Correspondents and News Agencies" rubric: "Bashkortostan Does Not Approve of Draft Constitution"]

[Text] The Bashkortostan Supreme Soviet Presidium has examined the draft Russian Federation Constitution prepared by the Constitutional Conference and recommended by the Russian Federation president for discussion by the components of the Federation.

The adopted decree points out that the version of the submitted draft of the Fundamental Law, despite certain improvements compared with the previous version, has shortcomings which prevent its approval by the top organs of power in the Republic of Bashkortostan.

Ural Republic's Draft Constitution Ready for Discussion

PM0709152593 Moscow IZVESTIYA in Russian 2 Sep 93 First Edition p 1

[INTERFAX report: "Draft Constitution for Ural Republic Devised in Yekaterinburg"]

[Text] It was created by a group of academics from the Russian Academy of Sciences Ural Branch Institute of Philosophy and Law under the leadership of Institute Director Anatoliy Gayda. The document will be studied in the very near future by members of the Sverdlovsk Oblast government and chairmen of oblast soviet standing commissions. The plan is to hold a session of the Sverdlovsk Oblast Soviet in mid-September, at which the draft will be discussed.

Yeltsin Greets Volga River Shipping Administration Workers

LD0709151293 Moscow ITAR-TASS in English 1335 GMT 7 Sep 93

[By ITAR-TASS correspondent]

[Text] Moscow September 7 TASS—The press service of the Russian president today released the text of a message of greetings addressed by President Boris Yeltsin of the Russian Federation to workers and veterans of the Volga Joint River Shipping Administration on the occasion of its 150th anniversary.

"I heartily congratulate the workers and veterans of the Volga River Shipping Administration on the latter's 150th anniversary," the message says.

"Volga is not simply a river for all the people of Russia. It is synonymous to the word homeland. It has for ages united numerous nations and peoples into a single family of the peoples of Russia. In the pre-revolutionary period the country's industrial development was largely linked with Volga. The famous international Nizhniy Novgorod fair symbolised the country's rapid economic upswing. Many glorious pages were inscribed in the history of the Volga shipping administration during the years of the Great Patriotic War. It has made a worthy contribution to the defence of Stalingrad, to the enemy's defeat on the approaches to that invincible Volga fortress. The post-war years were marked by a qualitative improvement of the fleet. It was replenished with comfortable passenger liners and hydrofoil ships. Volga ships appeared on sea lanes in the seventies.

"Today, Volga sailors are continuing to discharge their duties with honour in keeping with the finest traditions of their fleet. I am sure that they will continue to ensure the country's requirements in shipping and the hard-working Volga River will, as before, multiply the might of the Russian state. I wish all the workers of the Volga Joint River Administration and their near ones the best of health, happiness and welfare.

[Signed] "Boris Yeltsin"

Gas Producers Threaten To Strike Unless Debt Paid

MK0709085393 Moscow SEGODNYA in Russian No.49, 7 Sep 93 (Signed to Press 6 Sep) p 2

[Nikolay Andreyev report under the "Gas" rubric: "Nadym's City Hall Ready To Head Strike. Siberia's Gas Industry Demands Money"]

[Text] The city hall of Nadym and Nadym rayon is ready to call a strike in the region. The city hall announced this in a letter to Prime Minister Viktor Chernomyrdin and Fuel and Energy Minister Yuriy Shafranik, saying that the total owed to the region for gas deliveries amounted to 182.5 billion rubles. A number of enterprises and organizations in the city have been unable to pay wages and salaries for months because of the insolvency of "Nadymgazprom," "Yamburggazdobycha," and "Tymentransgaz."

Considering the situation critical, the city hall insists that the debt to the region be paid by 10 September. If this demand is not met, it is ready to go to an arbitration court and also to call an indefinite strike.

The Russian Council of the Oil and Gas Trade Union said that the city hall's active involvement in the strike movement is attributed to the continual worsening of the situation in the region. Last year, payment delays triggered a three-day strike by construction and transport workers, who sealed the road from the airport to the city with four rows of trucks. This year, gas producers say they do not have enough money to "make ends meet" for themselves.

According to Aleksandr Atamanyuk and Sergey Isayev, deputy chairmen of the Russian Council, if oil workers can pump oil into spare reservoirs instead of pipelines during the strike, the suspension of gas deliveries will affect all of Russia. If this happens, temperatures in home radiators in Moscow and other large cities will fall from 40-60 degrees to 10 degrees.

Nonetheless, the Russian Council does not rule out that Siberian gas producers may run out of patience and "close the valve" if they are not paid the money.

Gazprom Gets 'Exclusive Rights' To Develop Sakhalin Shelf

PM0709154993 Moscow IZVESTIYA in Russian 3 Sep 93 First Edition p 2

[Sergey Leskov report: "En Route to America the Premier Bequeathed Sakhalin to Gazprom"]

[Text] As the editorial office has learned from circles close to the government, it was virtually while boarding the plane for the United States that Prime Minister V. Chernomyrdin signed the decree transferring exclusive

rights to the development of the valuable Sakhalin shelf to the Gazprom Joint-Stock Company.

The development of the Sakhalin shelf did not begin until 1975, and seven fields have been opened up there since then. In spring last year the Ministry of Fuel and Energy signed an agreement on the Russian Government's behalf with the MMM consortium (MMM stands for McDermott and Marathon from the United States and Mitsui from Japan) on the joint preparation of a feasibility study for the project to develop the Piltun-Astokhkskoye and Lunskoye oil and gas fields.

The decree that the premier signed relating to the remaining offshore fields is now the subject of much discussion in institutions connected with the fuel and energy complex. However, the actual details of the government's decision remain a mystery. V. Chernomyrdin and R. Vyakhirev, chairman of the Gazprom Joint-Stock Company, are in the United States and B. Nikitin, deputy chairman of Gazprom in charge of the development of Russia's offshore fields, is also on a business trip. Even V. Sheremet, Gazprom first deputy chairman who has been left "in charge," asserts that he has not received any documents relating to Sakhalin. Furthermore, V. Sheremet has expressed cautious doubts to IZVESTIYA about the validity of this decision because some time ago Gazprom relinquished its property on Sakhalin and has not carried out any exploration work on the offshore shelf in recent years.

It is not just functionaries who are talking about the prime minister's decree but also, for example, all the Japanese correspondents accredited in Moscow. They are concerned because Sakhalin's oil and gas could represent a dangerous rival to Japan's energy monopoly in the Far East region and Gazprom's potential makes the large-scale development of the shelf in the foreseeable future a real possibility.

At the same time, the whole experience of developing offshore fields in other parts of the world suggests that the maximum effect can be achieved by allocating small areas to a large number of firms which would have an interest in increasing the oil and gas extraction coefficient. But, among Russia's enterprises today, only Gazprom has the ability to cope with Sakhalin. However, the energy crisis, which is hitting Russia's Far East increasingly hard, means that there is no time to lose. Today, for example, the Okha to Komsomolsk-na-Amure gas pipeline is running at only 10 percent of its design capacity.

The document signed by the prime minister is fresh confirmation that the Russian Government, following its temporary infatuation with Western partners, is relying increasingly firmly on its own producers. A Gazprom leader who wished to remain anonymous told IZVESTIYA that neither the Japanese nor the Americans are really interested in developing Russia's fields in the Far East.

Volskiy on Petersburg Tour; No Plan To Run for President

LD0709221193 Moscow ITAR-TASS in English 1943 GMT 7 Sep 93

[By ITAR-TASS correspondent Lyudmila Fomicheva]

[Text] St. Petersburg September 7 TASS—"An aim of my trip is to create the Industrial Party in St. Petersburg," head of the Russian Association of Industrialists and Entrepreneurs Arkadiy Volskiy told ITAR-TASS here today.

The program includes a visit to the Almaz ship-building firm and the machine-tool-building amalgamation and meetings with heads of the regional administration and the regional council and directors of the Kronstadt economic sub-zone project.

"Our association originated from the Civic Union. That is why, I am sure the election campaign, which has not been announced, will be held on party lists, as it is established in the presidential and parliamentary drafts of the law on elections," said Volskiy.

"It is known unions of industrialists and entrepreneurs do not have the right to nominate candidates, but this can be done by political parties and movements. Organizational committees to form the Industrial Party have been set up in 36 Russian regions.

"We are closely watching the 15 candidates, which appeared over the past two months to run for president. None of them has made public one's program, and it is still early to speak about it. But these processes must be watched.

"Many plant heads believe if they lost previous elections, they must win the next ones. I do not plan to run for president," he added.

Yaroslavl TV Cancels Khasbulatov-Rutskoy Show

PM0709133793 Moscow SOVETSKAYA ROSSIYA in Russian 2 Sep 93 p 4

[N. Shorokhova report: "We Were Expecting 'Parliamentary Hour'..."]

[Text] We were eagerly awaiting the "Parliamentary Hour" program, on which [Russian Supreme Soviet Speaker] R.I. Khasbulatov and [Russian Vice President] A.V. Rutskoy were to answer viewers' questions live on air. But we did not get to see it since we, the people of Yaroslavl, are protected from such programs and advised that it is better to watch melodramas. Yaroslavl Television is not airing a single "Parliamentary Hour" and is filling this slot with local television programs. We have read in SOVETSKAYA ROSSIYA that other cities are also complaining of similar lawlessness [nasiliye].

What about the renowned pluralism? What about democracy?

North Ossetia's Galazov Meets Ingush Delegation

LD0709200693 Moscow ITAR-TASS in English 1507 GMT 7 Sep 93

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz September 7 TASS—Chairman of the Supreme Soviet of Northern Ossetia Akhsarbek Galazov met a delegation of Ingush women from Nazran (Northern Ossetia) in the town of Beslan on Tuesday [7 September].

Members of the Security Council of the autonomous republic and representatives of the interim administration took part in the discussion which centered on the issues relating to the search for and return of the hostages and missing persons.

"Northern Ossetia looks for ways toward peace and concord and attempts to meet (the Ingush representatives) half-way. We are prepared to do our best to solve the issues concerning the search for and return of the hostages and missing persons on the territory of Northern Ossetia," Galazov said.

The delegation of Ingush women handed over a letter to Galazov which contained a request for help in searching for the hostages and missing people.

Meanwhile, the situation in the area under the state of emergency remains tense. On Monday, at about 1:30 p.m., a roadblock of the Russian interior troops near the village of Stary Botakoyurt was brought under fire from the territory of Ingushetia.

Four militants were detained; three submachine guns, a grenade launcher and ammunition were seized. Criminal proceedings were started against the militants.

In another development, Taymuraz Kusov, chairman of the Committee for Nationalities under the Council of Ministers of Nothern Ossetia met with representatives of the CSCE mission in Georgia.

The parties discussed issues relating to the political settlement of the situation in Northern Ossetia, return of the hostages and economic rebirth of the autonomous republic.

"The CSCE mission has attained a certain goal in South Ossetia: a relative calm has set in the region," Kusov said.

"However, the issue of the Republic of South Ossetia's political status remains unsolved. Instability (in South Ossetia) is telling negatively on the situation in Northern Ossetia. I hope that the CSCE mission in Georgia will work henceforth at the problems of stabilizing the situation in the region," he added.

Shakhray Holds Talks in Tatarstan on Cooperation Issues

LD0709205793 Moscow ITAR-TASS World Service in Russian 1450 GMT 7 Sep 93

[By ITAR-TASS correspondent]

[Text] Moscow, 7 Sep—Deputy Prime Minister Sergey Shakhray has discussed the work on and preparations for the signing of the agreements related to areas of interaction between the governments of the Russian Federation and the Republic of Tatarstan during his working visit to Tatarstan that took place on 3-6 September.

As the ITAR-TASS correspondent learned from the deputy prime minister's press service, Shakhray also held consultations with the leadership of Tatarstan about the final stages of the work on the treaty between Tatarstan and Russia, which deals with areas of jurisdiction and also with sharing responsibility between the bodies of state power. He also exchanged opinions about the development of the constitutional process in Russia and the creation of the federation council.

Buryatia's 'Top Officials' Reprimanded

PM0809075393 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 93 First Edition p 1

[Unattributed report from the "Yesterday, Today, and Tomorrow" column: "Brakes Applied"]

[Text] The following decision was passed by the Supreme Soviet Presidium of the former autonomous formation of Buryatia:

To reprimand Buryatia's top officials—Parliament's Chairman Leonid Potapov and Prime Minister Vladimir Saganov—for exceeding their official powers in the allocation and sale of vehicles from the "Harvest-91" Fund.

Communist Party's Anpilov Tours Tula Oblast

PM0309102593 Moscow PRAVDA in Russian 1 Sep 93 p 1

["Own Information" report: "Tula People Back Union"]

[Text] Viktor Anpilov, leader of "Working Russia" and secretary of the Russian Communist Workers Party Central Committee, has been visiting cities in Tula Oblast. At rallies and meetings the Tula people adopted an appeal to the Russian Federation Supreme Soviet demanding that it repeal the shameful "Belovezhskaya Forest Treaty" on the dismemberment of the USSR and institute proceedings against those who destroyed the country. Following last year's visit by the leader of Russia's Communists, the Tula legal authorities instituted criminal proceedings against him "for calling for the overthrow of the existing system." It transpires that all the case files have beeen consigned to the archives.

Moscow, Nizhniy Novgorod Regions Agree To Cooperate

PM0809083993 Moscow ROSSIYSKAYA GAZETA in Russian 4 Sep 93 First Edition p 1

["Yesterday, Today, Tomorrow" news column report]

[Text] An agreement on economic, scientific and technical, and cultural cooperation between Moscow and Nizhniy Novgorod Oblasts was signed yesterday in Nizhniy Novgorod.

Concluded for five years, it provides for the development of business contacts and the elaboration of joint, long-term programs to promote the two regions' socio-economic growth and mutually advantageous trade relations.

Kaliningrad Center Ceases Relaying Moscow Radio

LD0709204393 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 7 Sep 93

[By Stanislav Chekalin from Kaliningrad Oblast, including recording of remarks by I.I. Osadchiy, chief engineer of the Fifth Radio Center; from the "Novosti" newscast]

[Text] [Chekalin] Possibly you have noticed, dear fellow citizens of Russia, and also radio listeners of the countries of the Baltic region and European foreign countries, that broadcasts of the first program have disappeared from the air, as have the central program of Mayak and Radio Moscow in German, English, and Polish. Relays of them were done right from here—the 12 transmitters of the Fifth Radio Center in Kaliningrad oblast.

[Osadchiy] After Moldavia, Ukraine, and Belarus left, such centers in the west of Russia remained the largest.

[Chekalin] It would have been difficult to imagine this situation in the recent past. Radio Moscow has fallen silent—the mighty propaganda voice of Russian foreign broadcasting. The information space of a considerable part of the territory of Russia, including the Urals, the Volga region, and North Caucasus is being disrupted in circumstances of political and economic instability.

[Osadchiy] The first reason for all this is the insolvency of our state radio and television companies, Ostankino and Rossiya.

Nakhodka City Officials Accused of Mafia Links

LD0809061193 Moscow ITAR-TASS in English 0603 GMT 8 Sep 93

[Text] Nakhodka (Russian Far East) September 8 TASS—The Nakhodka free economic zone received a surprise stab in the back from Mikhail Besedin, chairman of the Nakhodka City Council, who, citing no facts, accused the city administration and the administrative committee of the free zone of ties with the mafia and sell-out of real estate to its representatives.

Besedin brought personally these accusations in the form of a letter to the Russian parliament in Moscow. He made this at a time when Nakhodka representives together with Moscow experts were drafting new regulations for the free zone.

Besedin said that the city council would get down to drafting documents on its own. Up to this time, the work was being done by a group of competent specialists who, in Besedin's opinion, were caught by the mafia dragnet. The group continues its work, calling accusations against it groundless.

Be as it may, the stab in the back had some consequences. The drafting of new documents ground to a standstill. The city is waiting for another inspection from Moscow. It will be the 22nd for the Nakhodka property fund. All the previous inspections proved to be groundless.

International Affairs

Deputy Foreign Minister Says 'No Final Decisions' on Fleet

WS0809094393 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 8 Sep 93

[Interview with Deputy Foreign Minister Borys Tarasyuk, chairman of the National Committee for Disarmament, by Valeriy Naumenko; place and date not given—recorded]

[Text] [Naumenko] Unfortunately, even after President Kravchuk's news conference on Monday [6 September], at which he fully explained the results of the Crimean summit, the opposition stubbornly maintains that we witnessed Ukraine's defeat in the Crimea. Can you comment on the situation, given that you were a participant in the summit?

[Tarasyuk] In my opinion, the negotiations in the Crimea should be viewed within the context of the overall economic, military, and political situations in both Ukraine and Russia. Of course, there was no way these realities could not reflect on the ways we chose to resolve the complex issues of the Black Sea Fleet, strategic nuclear forces, and others. I think we should not regard the decisions on the Black Sea Fleet as a defeat. The president has underlined that no final decisions have been made. We only dealt with the proposal of the Russian side that prompted the Ukrainian and Russian presidents' decision to charge the delegations of the two states with making preparations and examining all aspects of the Russian initiative.

[Naumenko] Thus, this is just one of the next possible variants for resolving the urgent problem of the Black Sea Fleet. This is Ukraine's categorical standpoint.

[Tarasyuk] Absolutely, this is just one of the variants of resolving this problem. This variant came, in a way, as a surprise to many people. However, this is a variant that must be examined and conclusions can only be drawn after a thorough examination of all the facts.

[Naumenko] Does the Ukrainian side have any alternative plans for resolving the problem of the fleet?

[Tarasyuk] We have been constantly looking for such alternates for over a year now. Meetings of experts from various Ukrainian departments and ministries were held on the eve of the summit. Representatives of the Defense and Foreign Ministries were in attendance. In the course of these conferences, we drafted a variant for resolving the Black Sea Fleet issue. At the summit, this variant was presented by Vice Prime Minister Valeriy Shmarov. It envisaged a gradual resolution of the issue while protecting the interests of both sides, and was based on the provisions of the Yalta agreement. Unfortunately, our draft did not receive due attention on the part of our partners, who, in their turn, came forward with their own proposal. I think that it is too early to reject all the existing ideas and alternatives.

[Naumenko] What is your forecast with regard to further developments and the work of the joint committee, on which the two presidents agreed during the Crimean summit?

[Tarasyuk] I want to say this again: Very complex, serious, and tense negotiations between the experts are ahead. There will be complex work within and between each delegation. It is hard to expect easy decisions within a short period time. We cannot rule out that the experts' work may last longer than was determined at the Crimea summit.

[Naumenko] What might happen to Ukraine if it does not meet the Russian side's claims on the fleet?

[Tarasyuk] I think that there can be different forecasts regarding the development of events surrounding the Black Sea Fleet. However, I am sure that both the command and the personnel of the fleet will demonstrate enough wisdom to not exacerbate the situation, and they will keep the situation under control until political solutions are found. A political solution can safeguard the interests of both sides. Any decision that does not fully meet the interests of both sides is doomed to failure.

Ambassador Views Russian Ties After Fleet Talks

PM0809084793 Moscow IZVESTIYA in Russian 8 Sep 93 First Edition p 4

[Aleksandra Lugovskaya report on interview with Ukrainian Ambassador to Russia Volodymyr Krzhanovskiy; place and date not given: "'Fleet-Oil' Deal Came as Surprise, Ukrainian Ambassador to Moscow Claims"]

[Text] It would have been strange if one of Ukraine's highest diplomatic officials—its ambassador to Russia, Volodymyr Krzhanovskiy—had disclosed all the secret ingredients of the "recipe" to set up the meeting of the neighboring states' leaders on such a vexed and vital political question as that of the Black Sea Fleet's fate. He constructed his dialogue with your IZVESTIYA correspondent in a different manner: He explained the logic behind the Russian side's unexpected proposal and commented on the results of the negotiations in Massandra.

Ukraine's guardedness in the face of the Russian side's position on a whole series of questions under negotiation, arose, in V. Krzhanovskiy's words, after it came up against a "brick wall of incomprehension about what they were discussing" at the Russian Ministry of Foreign Affairs: The agreement to send two groups of experts to Massandra to prepare recommendations for both presidents on a single-key system, which government delegations had earlier reached in Zavidovo near Moscow, was for reasons beyond us broken, and "not by us." For me this was a signal, the ambassador explained, that on this occasion we should expect a surprise.

The surprise was Russia's proposal, made to the Ukrainian government delegation led by L. Kuchma the very day the heads of state met: In view of Ukraine's economic difficulties and the lack of prospect of aid to Ukraine both from the world community and from Russia, which is in crisis, another way to resolve the problem should be found—that of selling 50 percent of Ukraine's ships. In connection with this abrupt turnabout, the confidential one-and-a-half-hour discussion between B. Yeltsin and L. Kravchuk was cut short.

They did not discuss a figure for its value—which according to some statistics amounts to about 34 trillion rubles in prices current at the end of 1991—as this was "not serious." The proposal to transfer the half of Sevastopol's coastal infrastructure due to Ukraine (which is effectively the entire infrastructure) to Russian command, was also a surprise. Like the previous proposal it was not turned down but accepted for scrutiny, although, in V. Krzhanovskiy's opinion, it "clouded the issue" with its unclear legal expression: "transfer of property to the possession..." As there are in international legal practice only two possibilities with regard to property—leasing and sale—we can in the future only talk about leasing, and what is more with a strictly fixed time limit.

Such an unexpected proposal on the part of Russia, plus the fact that the president lacks the personal powers to give his verdict on this most complex political and economic question without parliament sanctioning it, was behind L. Kravchuk's decision for there to be a month-long time-out to allow the question to be studied thoroughly.

At the same time, V. Krzhanovskiy emphasized, Ukraine does comprehend its economic dependence on Russian oil and gas, nonferrous metals and timber, and will therefore think seriously about its neighbor's proposals and, evidently, set about implementing them, you can say, on a preliminary basis. But, the ambassador continued, though we are certain that Russia will not gain a single ruble from this "deal," we can at the same time see its serious concern at the situation in this region and concerning the region's defense, and can see that its motivations and interests are based on global geopolitics. We do not view its political steps, which were conditioned by the economic situation in Ukraine, purely as an ultimatum. It is to a certain degree the best possible decision.

Having summed up the "Massandra section" of the dialogue, V. Krzhanovskiy said that this meeting's "result" was one more proof of Ukraine's independence, a historical lesson whereby "in order to assist it" it is being told "we will take this and that from you." As far as the Ukrainian part of the Black Sea Fleet is concerned, it is only part of the Ukrainian Fleet—the bases at Nikolayev and Izmail were not discussed during the negotiations. Which means that Ukraine still has every opportunity to build a modern navy of its own.

Western Ukraine, or to be more precise certain political circles which include the Republican Party led by Stepan Khmara, are reacting in the most aggrieved manner to the results of the meeting between B. Yeltsin and L. Kravchuk, demanding among other things the president's immediate dismissal. It does not trouble the ambassador that young radicals "intend to take up arms," as this is explained by an increased fear that Ukraine will lose its independence: "This is a motley and small political group." We have left-wingers and right-wingers, "fruitcakes," and we have our highfliers and our stick-in-the-muds—the presence of such groups is evidence that we are a normal state.

As far as the Donbass is concerned, part of whose population is favor of bringing back the USSR, this extreme eventuality does not seem catastrophic to him—Ukraine will get firmly back on its feet, cease to be poverty-stricken, hungry, and economically dependent; life will sort itself everywhere, in Crimea, the Donbass, Podolye, Polesye, Western and Central Ukraine.

"We are in favor of a union, but of a union with a small 'u.' We are also in favor of an economic union, with the help of which it will become possible to extricate ourselves from the general crisis, and of permanent and continuous consultations, even of coordinating actions, but we are against a Union with a big 'U,' our presence in which already brought us to the edge of an abyss. I am in agreement with those Russian politicians who are also against the revival of such a Union, which is first and foremost not in Russia's interests."

V. Krzhanovskiy attributes the present crash of the Ukrainian national currency, the karbovanets, entirely to Ye. Gaydar's mistaken economic policy and to his radical reform, which provoked a catastrophic jump in prices for energy resources, as well as to his "faithful follower," Russian Finance Minister B. Fedorov.

"Instead of distinguishing between close-neighbor countries and those areas which were not formerly part of the USSR, the vice premier now only sees a single, common area abroad, which is a mistake. In the near future Russia could lose its main market, because no one in the West is going to buy its goods (not, of course, its raw materials). In these circumstances the Ukrainian karbovanets was doomed to crash. But we will talk with Russia and persuade it to sell us oil, gas, nonferrous metals, and timber at 'internal prices,' charging the difference to the Ukrainian state debt. I hope that reason will triumph and B. Fedorov will understand that Russia's main partner is not the IMF and the United States, but its neighbor Ukraine. This will be to the benefit of our states."

As an ambassador and diplomat, V. Krzhanovskiy refused to make a political forecast for Ukraine in the near future, but as a member of parliament, he expressed the opinion that new parliamentary elections are necessary: "It is not necessary hold a referendum, forcing the people to vote on their confidence or lack of it in the

president and parliament, which, as we saw, was useless in Russia; but it is necessary to make an independent decision which is voluntary and appropriate."

Paper Views Kravchuk's Decision on Fleet

PM070°104993 Moscow ROSSIYSKAYA GAZETA in Russian 7 Sep 93 First Edition p 7

[Boris Sverdlov commentary: "Moscow and Kiev Fated To Agree, As Long As People Do Not Lose Patience"]

[Text] Yalta—It had seemed that, following the Massandra meeting between B. Yeltsin and L. Kravchuk, the fate of the Black Sea Fleet had become clear and that in a month Russian banners would be raised over the ships. But L. Kravchuk has managed to surprise us yet again. Flying in to Kiev, the Ukrainian president told journalists at the airport:

"If Ukraine had had only $1 billion in the bank, the results of the talks would have been different, but we need to take account of reality. As for the Black Sea Fleet, there is no need to panic. We have not signed a single document. We have merely agreed that Ukraine will sell Russia part of the fleet. And which part remains to be seen..."

No, L. Kravchuk would not be L. Kravchuk if he had not acted in this way and not resorted to his favorite ruse of being vague in interpreting his intentions. Given the current political differences and poor economic position in the republic, such vagueness has been a lifesaver for him.

Nonetheless, Leonid Makarovich is not in an enviable position. The last meeting with B. Yeltsin left him in quite a difficult position.

First, the Ukrainian delegation arrived in the Crimea without any specific proposals. Clearly, because of the confrontation between the Supreme Council and the government, there was no time to elaborate any. Moreover, Ukraine is under considerable pressure because of its empty coffers and the more than baleful state of its economy.

Second, L. Kravchuk knew perfectly well that if the decision on the Black Sea Fleet failed to meet the aspirations of the Black Sea sailors—subordinating the fleet to a single and definitely Russian command—then the servicemen would themselves cover Sevastopol Bay with St. Andrew's flags the very next day.

And, third, the Ukrainian president was perfectly well aware that the national reformers would make an unimaginable fuss about the transfer of the fleet to Russia, even if it presented Ukraine with gold bars and filled up all its oil storage tanks at giveaway prices. And they would be supported by the majority in parliament. This is shown simply by the fact that on the eve of the meeting between the two heads of state Supreme Council Chairman I. Plyushch, summing up the results of the debate on the government program, called Prime Minister L. Kuchma's allegation that Ukraine is insolvent "apolitical, anti-economic, and out of touch with reality." If so, the state has the wherewithal to pay its eastern neighbor for its energy sources. And there is no need to settle the debts with ships.

The president's fears proved well-founded. Judging by the reaction from the leaders of nationalist parties and movements, his evasive statement at the foot of the aircraft steps in Kiev did not reassure people. Voices immediately stated that Russia is shamelessly bringing Ukraine to its knees and that, having driven the young independent state into economic servitude, it is now grabbing the fleet and will set its sights tomorrow on Sevastopol and, the day after tomorrow, on the Crimea... The hardest of the hard-liners accused the president of betraying national interests and called for his immediate resignation. There was no particular enthusiasm for the signed documents either. Those who wanted to see Ukraine as a nuclear power will have something to say about it, I think.

L. Kravchuk now finds himself in a kind of firefight. On the one hand, he is being assailed by nationalists who, moreover, cannot forgive his unexpected desire to join an economic union with the CIS countries and Russia, in particular. On the other hand, the industrial regions in the east of the republic are unhappy with him for having, along with the Supreme Council, "buried" the Donetsk miners' demand for a vote-of-confidence referendum.

Nonetheless, it seems to me that at the Crimea meeting L. Kravchuk plumped for the ideal option. After all, however sad the nationalists may be about the loss of the fleet, Ukraine is incapable of maintaining already aging ships in a state of combat readiness or of reviving bankrupt ship repair yards...

But the snag is whether the Ukrainian president will remain faithful to the agreements with B. Yeltsin to the bitter end and whether he will be able to persuade the Supreme Council to ratify the agreement to sell the Ukrainian part of the fleet. Or will he give ground under the onslaught of criticism—as has happened quite often in the past? At any rate, his frankness on his return from the Crimea does not inspire any particular optimism.

Immediately after the current round of talks rallies involving many thousands of people were held in Sevastopol and Simferopol. One of the reasons for the rallies was the fact that the heads of state had completely disregarded the Russian Supreme Soviet decisions on the status of Sevastopol.

It was only the fleet officers and warrant officers whose mood that day was buoyant. After all, they hope to soon be able to put to sea more often and to start doing a proper job of guarding the borders of Russia and Ukraine.

Opposition Parties Demand Kravchuk Resignation

PM0709110393 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 1

[Report by Vasiliy Zorya of UNIAN news agency specially for IZVESTIYA under general heading: "First Result of Meeting in Crimea Is Drastic Aggravation of Situation"]

[Text] Kiev—After the shock of the news of the preliminary accord between Presidents B. Yeltsin and L. Kravchuk on the Black Sea Fleet, national democratic forces accused the Ukrainian president of betraying national interests.

V. Chornovil, chairman of the People's Movement of Ukraine [Rukh], demanded Kravchuk's resignation. He did not rule out the possibility of a universal political strike in the very near future.

The influential Ukrainian Republican Party, which until recently mainly supported Kravchuk, has denounced "the Ukrainian president's capitulationist steps" and advocated the denunciation of the accords adopted in Crimea.

The congress of Ukrainian nationalists demanded the ending of any haggling over the Black Sea Fleet.

In Lvov 5 September at a meeting of 3,000 people Petro Tyagnibok, a spokesman for the "Student Brotherhood," stated that "if necessary students will remove their hunger strikers' headbands and take up arms." Vice Premier Valeriy Shmarov, commenting on the meeting, stressed that no preliminary agreement was reached on this issue at government level.

But far from all political forces denounced L. Kravchuk's step. Socialist Party leader A. Moroz stated that for two years now the socialists have been advocating the solution of the tangle of Black Sea problems, the fleet, and Sevastopol but only through leasing. The Constitutional Democratic Party believes that the accord in Crimea is the only possibility of getting rid of debts to Russia, which are the main inflation factor in Ukraine.

Yesterday Yu. Makarov, cochairman of the Donetsk strike committee, commenting on the results of the summit meeting, said: "We do not want this fleet even as a gift, the main thing now is to survive."

As a result of the summit meeting in Crimea the political situation in Ukraine has been drastically aggravated. The government crisis and dissatisfaction with the accord between the Ukrainian and Russian presidents could in the very near future put the examination of this issue on the agenda of an emergency session of the Supreme Soviet. At least in the very near future the results of the meeting should be discussed at the Ukrainian defense council.

UNIAN asserts that a presidential edict is ready on the resignation of Ukrainian Prime Minister Kuchma.

Kuchma Aide Urges Economic Union With Russia

PM0709142593 Moscow KRASNAYA ZVEZDA in Russian 2 Sep 93 p 3

[Anatoliy Polyakov report: "'Bread Boom' in Kiev. People Stocking Up on Rusks Despite Record Ukrainian Grain Harvest"]

[Text] The other day I unsuccessfully tried to buy a loaf of bread in Kiev. On the corner of Vozdukhoflotskiy Prospekt and Fuchik Street there were lines 70-80 persons long, and in other places dozens of people were crowding around waiting for the bread delivery. Kiev people are laying in rusks for hard times ahead—just as they did during the war. That is understandable. A loaf currently costs 150-500 coupons, but, according to officials, it will increase in price 10-fold during September. And this at a time when the Ukrainian harvest could reach 50 million tonnes of grain and 14 of the 24 oblasts have already fulfilled their state order. Just what is going on?

The karbovanets, which Leonid Kravchuk cast in the role of a buffer currency, has had to bear the full force of inflation in the fight against the ruble and the dollar, and has suffered a knockout. Its rate "peaked" in August exchange trading at 17,000 coupons to the dollar and 15 coupons to the ruble. Ukrainian money has never experienced such a large fall.

This is undoubtedly the result of printing too many karbovantsy. The Ukrainian Government has been forced to issue loans of hundreds of billions of coupons for agriculture. Against the backdrop of industrial production that is ebbing away—in certain oblasts up to 70 percent of enterprises have ground to a halt—paper money without any asset backing has flooded the market and, naturally, become worthless.

Against this backdrop the behavior of the leaders of political parties has been typical. During the "round-table" session at the end of August, representatives of the Socialist Party, Civic Congress, the "Workers Union," and more than 10 other parties and public associations expressed their confidence in Leonid Kuchma's government and backed economic union with the CIS countries. Vitaliy Avgustinov, deputy chairman of the Ukrainian Union of Entrepreneurs and Industrialists and adviser to the prime minister, reported that production had declined by 14 percent in July as against 6 percent over the preceding seven months. Ukraine has 10 percent of the oil, 20 percent of the gas, and 15-20 percent of the timber it needs. There is no tin, nickel, or copper. Consequently, Avgustinov concluded, an economic union with the CIS countries and Russia is needed.

But the leaders of the Ukrainian Republican Party, the Democratic Party of Ukraine, and the Congress of National-Democratic Forces staged the "Ukrainian Independence Is Indestructible" event 23 August. The "democrats" marched through the center of Kiev, calling Leonid Kuchma an "agent of Moscow" who "wants to

sell out Ukraine to imperial Russia." But, against the backdrop of the rapid impoverishment of the people, the national-patriotic chants only cause irritation. Even by the most cautious estimates around 40 percent of Ukraine's citizens already support the signing of an economic union agreement with the former Soviet republics.

Foreign Ministry Briefing on Disarmament Discussions

LD0709182193 Kiev UNIAR in Ukrainian 1430 GMT 7 Sep 93

[Excerpts] Kiev, 7 Sep—At a regular brefing at the Ministry of Foreign Affairs of Ukraine, journalists were informed about the course of the international conference on issues of protecting the victims of war, which took place in Geneva 30 August-1 September. [passage omitted]

Yaroslav Bilodid [name as received], charge d'affaires of Ukraine in Lithuania, informed those present at the briefing about links between Ukraine and Lithuania, noting in particular that a certain informational vacuum exists in this sphere. According to him, a concept of mutual relations should be elaborated as speedily as possible. [passage omitted]

The third issue to be discussed at the briefing concerned talks with the U.S. delegation on the rendering of assistance to our state by the United States in implementing the Ukrainian program for reducing strategic offensive arms. Kostyantyn Hryshchenko, head of the Ministry of Foreign Affairs directorate for control over disarmament and armament, informed journalists about the outcome of the talks. During the course of the talks, the discussions focused on U.S. assistance in neutralizing liquid fuel. Mr. Hryshchenko noted that some differences between the Ukrainian and the U.S. sides in their approach to certain issues had been perceptible. The most important issue for Ukraine was the receipt of financing from the United States. Kostyantyn Hryshchenko emphasized that it had once again been confirmed during the talks that the granting of $175 million by the U.S. Administration for dismantling Ukrainian weapons this year is only the beginning of the assistance which the United States is planning to render to our country in general.

PRC's Qian Qichen Attends Official Embassy Opening

LD0709173193 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 7 Sep 93

[Text] The official opening of the PRC Embassy in Ukraine took place in the capital of our state today. Deputy Prime Minister Mykola Zhulynskyy; Anatoliy Zlenko, minister of foreign affairs of Ukraine; and the Chinese delegation, headed by Qian Qichen, vice premier of the State Council and minister of foreign affairs, took part in the official ceremony. Speaking at the opening of the embassy, the eminent Chinese guest stressed that China's government is interested in developing all-round relations with Ukraine. It is envisaged that Ukraine's embassy in China will be opened in the near future.

Meets Government Officials

LD0709195793 Kiev Ukrayinske Telebachennya Network in Ukrainian 1800 GMT 7 Sep 93

[Excerpts] The official visit to Ukraine by the government delegation from the People's Republic of China is continuing.

[Correspondent] Today the Chinese Government delegation, headed by Qian Qichen, vice premier of the State Council and minister of foreign affairs of the People's Republic of China, was received by Ivan Plyushch, chairman of the Supreme Council of Ukraine. The latter informed the guests about the socio-political situation in Ukraine, and expressed his views on the future of Ukrainian-Chinese relations. The sides expressed mutual interest in the progress of relations in various spheres.

Yukhym Zvyahilskyy, first vice premier of Ukraine, met the Chinese government delegation at the Cabinet of Ministers of Ukraine. An exchange of opinions on the process of economic reforms in Ukraine and China took place. The Chinese guests shared the experience of their own economic changes, which, as is well known, have already produced tangible and positive results. Specific fields of trade and economic cooperation between the two states were determined.

Anatoliy Zlenko, minister of foreign affairs of Ukraine, met the Chinese government delegation today. A wide range of issues of mutual interest was discussed. [passage omitted]

Qian Qichen and Anatoliy Zlenko also held a news conference today. It was stressed that the previous contacts between the two states and the current visit of the Chinese government delegation to Ukraine have laid the legal and contractual foundations for Ukrainian-Chinese relations. Ukraine, noted Anatoliy Zlenko, sees in China a leading state of the Asia-Pacific region, and counts on the Chinese side facilitating Ukraine's consolidation there [sentence as heard]. Mr. Qian Qichen evaluated the signing of the previous agreement and the holding of talks in Kiev as a good opportunity for bringing relations between the two states onto a qualitatively new level.

Familiarization with the capital of our state is also in the program of the sojourn of the Chinese guests. The guests looked over the historical and cultural preserve, the Sofiya Museum.

Transport Agreement Signed With Netherlands

LD0709212293 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 7 Sep 93

[Text] Ukrainian Transport Minister Orest Klympush and Johanna Maij-Weggen, minister of transport and public works of the Netherlands, signed an agreement in Kiev on 7 September. The agreement is on international motor vehicle transportation and air links between Ukraine and the Netherlands. In particular, these documents regulate the rights and obligations regarding insurance of the transporters of the two countries, and also other issues connected with the sojourn of transporters on the territory of the other country.

The television and radio agency Novyny has reported that Ukraine has signed similar agreements at the Transportation Ministry with 19 countries.

Kravchuk Holds Talks With Dutch Transport Minister

LD0709212593 Kiev Ukrayinske Telebachennya Network in Ukrainian 1800 GMT 7 Sep 93

[Text] The working visit to Ukraine by the delegation from the Ministry of Transport and Public Works of the Kingdom of the Netherlands is continuing. Members of the delegation headed by Johanna Maij-Weggen, minister of transport and Public Works of the Netherlands, were received today by Ukrainian President Leonid Kravchuk.

During the course of the conversation, it was noted that the main aim of the visit was to create a legal and contractual basis for cooperation between Ukraine and the Netherlands in the area of transportation. The signing of agreements, emphasized the Ukrainian president, will contribute to the further development of foreign trade between both countries and to the establishment of regular air links and the extension of motor vehicle transportation.

These are only the first steps in the development of economic cooperation between the two countries. The interest of Dutch business circles in this mutually advantageous activity becoming more vigorous is also great. Business representatives are accompanying Maij-Weggen on her trip across Ukraine.

Negotiations Held With Algeria on Energy Supply

AU0709123293 Kiev URYADOVYY KURYER in Ukrainian 2 Sep 93 p 6

[Unattributed report: "Algeria-Ukraine: Possibilities of Cooperation"]

[Text] A broad circle of useful cooperation between Ukraine and Algeria was outlined during negotiations that were held at the Ministry of External Economic Ties by Algerian Ambassador B. Kamorzirman. It was pointed out, in particular, that the relations between Algeria and Ukraine may be considerably expanded in the sphere of trade-economic and scientific-technological cooperation, health protection, ecology, and culture. Algeria is quite interested in assisting Ukraine in the technological equipment of its mining industry, in the construction of smelting enterprises, supplying to it steel and cement, carrying out melioration, and training national cadres. The Ukrainian side has suggested that the question of the deliveries of energy sources from Algeria be studied in greater detail. This may be done on the basis of barter exchange, in which Ukraine could supply compressors or pipes or Ukrainian specialists may, in exchange, provide geological exploration services, lay gas pipelines, drill boreholes, or develop gas and oil prospecting. Ukrainian professors could teach students at the Algerian Institute of Gas. The resulting documents on these questions will be presented by the governments of the two countries.

National Affairs

Kuchma Says Supreme Soviet 'Hampering Government Efforts'

WS0709130193 Kiev Ukrayinske Radio First Program Network in Ukrainian 1000 GMT 7 Sep 93

[Text] Concord among the people and concord among the authorities are prerequisites for Ukraine emerging from its current crisis, in Prime Minister Leonid Kuchma's opinion. He said as much in comments to ROBITNYCHA HAZETA. There should be one cooperative team—the prime minister said—the Supreme Soviet, the Cabinet of Ministers, and the president. Leonid Kuchma pointed out that, unfortunately, it is not this way. He accused the Supreme Soviet of hampering government efforts.

Official Explains Activity of External Economic Ministry

AU0809111593 Kiev MOLOD UKRAYINY in Ukrainian 3 Sep 93 p 1

[Interview with Mykola Mnykh, deputy minister of external economic ties, by Volodymyr Oliynyk; place and date not given: "What Will Happen to the Ukrainian Export?"]

[Text] **At his last news conference as vice premier, Viktor Pynzenyk said: "I would put a black monument to I.I. Herts (minister of external economic ties) who did not issue export licenses to those businessmen who had paid their export duty."**

It later became clear from the words of the ex-vice premier that it is precisely the Ministry of External Economic Ties that is interested in maintaining the system of quotas and licenses even now when, as a result, export has become unprofitable. Because in that way, officials can take bribes.

In connection with this assertion, I turned to the Ministry of External Economic Ties and asked deputy minister Mykola Mnykh to comment upon this information.

[Mnykh] What can I say about this? I do not want to try to justify myself, but I do not know facts indicating that, within the framework of the current legislation, our ministry consciously violated the existing laws. There are laws, there are decrees, and there is an established procedure, and our ministry acted in accordance with that procedure. If Viktor Mykhaylovych [Pynzenyk] really has such specific evidence of which I, perhaps, am not aware, why doesn't he disclose it? However, as far as I am concerned, the problem is broader than we, today, assume.

The question lies in whether it is expedient to continue imposing such restrictions as issuing quotas and licenses. I have high respect for Viktor Mykhaylovych, because we cooperated normally and we are on good terms. However, I would like to say—and I literally stated this on Saturday (28 August) at the meeting of the Cabinet of Ministers—that the program envisages cancellation of licensing and of import restrictions. However, it is impossible to agree with this, and not because the ministry wants to take care of it. There exist realities which one cannot ignore. As I said at the Cabinet of Ministers, we do not live on our own, but in the sphere of international ties. Imports are being licensed throughout the world.

[Oliynyk] Viktor Pynzenyk spoke precisely about licensing our exports, something which is already inexpedient, because our prices of products are in many cases higher than world prices.

[Mnykh] This is correct, for us it is the licensing of exports, and for our foreign partners it is imports, because we deliver products there and they can give us a license for exporting their products from their country only provided that we license our exports.

[Oliynyk] Well, you are talking of faraway foreign countries, but why have our exports to nearby countries decreased so much? The balance of export-import to that same Russia is estimated as a deficit of almost 11 trillion karbovantsi.

[Mnykh] As regards this question, the Ministry of External Economic Ties only issued general licenses that are also envisaged by legislation for those structures that are directly occupied in making deliveries in line with intergovernmental accords.

[Oliynyk] Where do you see a way out of the situation that has taken shape? All the more so since the government is in a situation that is far from being satisfactory. In which way will the replacement of leading figures in the government influence Ukraine's external economic activity?

[Mnykh) Our ministry has a distinct concept of external economic activity; unfortunately, it has not yet been approved by the parliament and is yet to be discussed by it. However, we see how to do this, and we submitted our programs for 1993-94 to the government.

I will quote two examples from this program. The first task: Given the existing structure of exports, we must find markets for our goods. The results of our activity today show that we can do this. It is difficult to change the structure of exports at one go. This requires much time: Because it is necessary to change the structure of production and so on and so forth. However, we do not have that much time. We need incoming currency, which is, in turn, necessary for changing the structure of exports. This is an almost closed circle. We can see that the countries of Asia and Africa take those of our exports that are not eligible on the European market.

Yet another question: Today, we have products that may earn us currency. These are the branches of aircraft building, power metallurgy, and arc welding. We have achieved world acclaim in these branches of industry. The ministry works in precisely this direction. Because, today, it is stupid to export raw materials and get copecks for selling them.

I think that when other people come to the government, people who want to work for Ukraine, they will be able, together with the ministry, to find ways of earning currency for Ukraine.

Commanders Blamed for Delays in Army's Language Switch

PM0709141393 Moscow KRASNAYA ZVEZDA in Russian 31 Aug 93 p 1

[Aleksandr Antoshkin report: "In the Ukrainian Army They Are Continuing to Campaign for Linguistic Purity"]

[Text] Kiev—On 27 August Ukrainian Defense Minister Konstantin Morozov signed the directive "On Progress in Introducing the State Language in the Ukrainian Armed Forces."

The directive notes that "in the main the Ukrainian language has been introduced" in official relations. However, the requirement of the previous directive "On Progress in the Study of the Ukrainian Language" is being hampered, and that is partly the fault of some commanders. The new directive outlines a series of further measures on the introduction of Ukrainian. Units and subunits have begun to receive the directive.

News Conference Discusses Corruption, Crime Within Army

AU0709161893 Kiev NARODNA HAZETA in Ukrainian No. 34 (115), Sep 93 p 2

[I. Yashchembska report: "Everything Is Normal Within the Armed Forces...."]

[Text] The news conference recently held at Ukraine's Procurator General's Office dealt with adherence to the law within the Armed Forces and other military formations.

In his statement for journalists, Lieutenant General of Justice Vasyl Kravchenko, who is Deputy General Procurator, pointed out that the general crisis in the economy has also affected the country's Armed Forces This found expression in numerous violations of law and order and in the mass legal nihilism. Taking advantage of the shortcomings in the current legislation, individual officials, mildly speaking, defy the established procedure for selling military property, develop entrepreneurship and lease out movable and immovable property to commercial structures. The slackening of Customs control has led to a temptation to sell military technology across the border. For example, last year, the Procurator's Office of the Ciscarpathian Military District thwarted attempts to take 23 airframes of TU-16 aircraft out of Ukraine. The military procurator of military unit No. 54,635 revealed violations in time and prevented illegal shipment abroad of 200 items of aircraft technology.

Unfortunately, cases of squandering military property are not isolated. It is worth pointing out at this point that there was resistance to the intensification of the procurator's control over the adherence to the law. In particular, some officials did not approve the creation of the Main Control and Auditing Inspection at Ukraine's Ministry of Defense. They disliked its cooperation with Ukraine's Security Service even more. The life of those who regarded military service as a convenient way to line their own pockets became too strenuous. This applies to such people as, for example, Lieutenant General V. Tolubko, Ukraine's people's deputy and chief of the Kharkiv garrison, and some of his subordinates. Their illegal actions (the squandering of military technology and property and the abuse of official position for mercenary purposes) resulted in losses amounting to tens of millions of karbovantsi. On 3 August 1993, the Procurator General's Office instituted a criminal case on the revealed facts of abuse and violations of law in the garrison.

It is also disturbing that, at present, violations of the statute rules on mutual relations among servicemen, thefts of weapons, and evasion of military service have become the most widespread types of crime in the army. These types of crime account for 63 percent of the total number of crimes in the army. Persons who had evaded army service committed 234 other crimes, in particular, premeditated murder, armed robberies, and so on.

The state of maintenance of weapons and munitions is alarming. For example, this past spring, the Military Procurator's Office, jointly with organs of internal affairs, uncovered the theft of 53 pistols from a military unit of Kovel garrison. The Military Procurator's Office of the Black Sea Fleet and Ukraine's Naval Forces returned nine pistols to one of the ships. Over the first half-year, more than 30 such crimes were registered.

The loss of life unrelated to military circumstances is particularly upsetting. Over six months of the current year, 209 servicemen perished as a result of crime, adventures, and accidents.

It was also pointed out at the news conference that the investigating apparatus of the military procurator's offices is overloaded with work. There is a shortage of specialists. Many investigators have to deal with 30 or more cases simultaneously and this, in the absence of operational and investigation subunits, has a negative effect on the quality of their work. Notwithstanding this, 2,492 criminal cases have been dealt with over the six months of the current year; 1,355 of these cases have been forwarded to the court.

At present, more than 1,000 criminal cases are being processed by the military procurator's offices. They also include those of corrupt officials and persons from the military administration organs who are guilty of abusing their official position, squandering military technology and property, and committing theft and bribery.

Nikolayev Railroad Workers Continue 'Illegal' Strike

PM0709120193 Moscow Ostankino Television First Channel Network in Russian 2000 GMT 6 Sep 93

[By Sergey Fateyev and Boris Zamchinskiy from Nikolayev; from the "Novosti" newscast]

[Excerpt] For the sixth day running the signals on railroad lines around Nikolayev are on red. Freight trains, including trains carrying perishable goods and fuel, are immobilized. Passenger traffic has been halted. Train drivers and workers at the Nikolayev locomotive yard have called an indefinite strike. The 1,000-strong collective has put forward two main demands—an economic demand for higher wages, and a political demand for the immediate dissolution and reelection within the current year of the Ukrainian Supreme Soviet, whose fault it is, in the strikers' opinion, that Ukraine is sliding into an abyss of poverty, lawlessness, and corruption. The Odessa Railroad is sustaining losses which run into billions. The Nikolayev Oblast Court today ruled the strike illegal. However, the strike committee and the Nikolayev independent railroad workers' trade union are in a determined mood.

Belarus

Shushkevich Says Tripartite Union 'Cry of Despair'

LD0309133593 Moscow ITAR-TASS in English 1147 GMT 3 Sep 93

[By BELINFORM correspondent for TASS]

[Text] Minsk September 3 TASS—"A triple union is a cry of despair," Stanislav Shushkevich, chairman of the Belarusian Supreme Soviet, said in an interview with the "Mir" interstate television and radio company on the eve of a meeting of heads of state and government of the Commonwealth countries, commenting on the possible conclusion of an economic union between Russia, Ukraine and Belarus.

The head of the Belarusian parliament considers the idea of forming such a union sensible and regards it as the initiating of active actions with the aim of creating a broader coalition with the participation of other states.

According to Shushkevich, Russia should not be regarded as a "successor of bad affairs " of the former Soviet Union. He believes that Russia should not switch over to world prices for oil and gas in respect of Belarus, otherwise this will be a "strong violence against it". Our common history, the head of the Belarusian parliament said, makes it incumbent upon Russia to show Russian people's typical qualities, at least generosity, and any new political or other forms of our existence should not change this situation.

Ambassador Eyes Relations With Russia

WS0809100093 Minsk ZVYAZDA in Belarusian 20 Aug 93 p 1

[Interview with Ambassador to Russia Viktar Danilenka by Uladzimir Khilkevich; place and date not given: "Relations With Russia Are Easier To Disrupt Then Restore"]

[Text] **Disturbing news is coming from Russia more and more frequently. They are disturbing to us—these Belarusians. First the currency exchange, then the threat to shut off gas deliveries... Government and legislative delegations are flying back and forth to Moscow. Now those on the highest level are meeting. Moreover, all this is happening together with a deteriorating social situation in the Republic. Prices are skyrocketing, the crime rate is growing, the poor and unemployed are appearing on the streets...**

[Khilkevich] Can you tell, Viktar Dzmitryyevich, what, in your opinion, is happening? How does the ambassador extraordinaire and the plenipotentiary of Belarus to the Russian Federation view the current situation?

[Danilenka] First of all, I am not only an ambassador, but also a Belarusian. I am interested in everything that happens in Belarus. I believe that the events in Belarus mirror those in Russia. We follow Russia but with a six month delay. Here, I cannot restrain myself from picking on you, the journalists. Various news comes from Russia: killings, corruption, gossip... But I have not seen any serious or harsh articles in Belarusian newspapers. They are essential to avoid a mess during the period of transformation from a planned economy into the free market. The wisdom is not to avoid one's own mistakes. It is to learn from someone else's mistakes. This is one side of the coin. The second is that market rules dictate the means and measures Russia is employing. There is no other way for Russians today. The inflation rate has gone beyond tolerable limits. Of course, we can squirm, stamp our feet, and fidget, but it will not help. Market rules are ruthless and Russia has chosen this direction. We understand that we cannot avoid disturbances, but we are trying to cushion the impact of market rules. That is exactly why there are all those delegations, meetings, and negotiations.

Belarus, in comparison with other republics of the former USSR, is living under far more complicated circumstances. First of all, our industry was oriented to internal integration in framework of the union. Additionally, the republic does not have any considerable natural resources. For example, it is not a problem for some Middle Asian republics to change their policies and export cotton or oil to the West. We do not have such possibilities. Because of this, we have to completely restructure of our economy. But one is not able to do this in two years. Frankly, we expected to undergo restructuring. But, as we see, market rules dictate their terms and we will have to undergo this painful process. Nobody, no government can make this process shorter.

[Khilkevich] Not long ago, you were a permanent representative of the Belarusian Cabinet of Ministers to the Cabinet of Ministers of the USSR, and the head of the diplomatic representation. Now, it is an embassy and you are an ambassador to the Russian Federation. To what extent has the character of the embassy changed? Is it easier today or not? What kind of reorientation we can talk about?

[Danilenka] Let us say this: before, the emphasis was on solving economic issues whereas today political aspects have been added. One must also take into account that it is much harder to cope with economic problems today then it was, for instance, three years ago. The production system has been totally upset. But I cannot say that there has been a significant reorientation. Simply, the work is more difficult and there are more tasks to deal with.

As for political issues, I will point out only one of them. Belarus has been recognized by over 100 countries. Diplomatic relations have been established with over 80. The majority of ambassadors are working pluralistically. What does it mean? An ambassador has his residence in Moscow, but he represents his country also in Belarus. Many problems crop up in such a case. What is the shortest way to Minsk? Of course, here, in downtown

Moscow, Maraseyka street, where the Embassy of the Belarusian Republic is located.

[Khilkevich] What do you think of as most important among the embassy's activities? What do you personally, as the ambassador, believe you should concentrate on? Is it connected with crises in Russia and Belarus, credits, exchange of commodities...?

[Danilenka] Unfortunately, this is a complicated issue. As I have said before, economic structures have been completely upset. I believe that the most important issue is not to ruin what is left. Secondly, we should restore broken connections. Obviously, not all of them, but those most vital to Belarus. The prime concern is the fuel-energy complex. Russia should supply us with 11.5 million tonnes of oil in 1993 on a clearing basis. We will pay for these deliveries through our production.

As a whole, the agreement between the governments provides for 16 million tonnes of oil.

[Khilkevich] After the ruble "rush" caused by the Russian Central Bank decision, the possibility of Belarus leaving the ruble zone and introducing its own currency emerged. What do you think about that?

[Danilenka] I believe that it would be a big mistake for Belarus to leave the ruble zone. Some statements our businessmen made should not be taken seriously. They are not responsible for anything. If they had any kind of responsibility they would think about how to protect our currency. We should not do it yet. We do not have our own gold reserve and our hard currency reserves are also negligible. But if we introduce our own currency, Russia will trade with us in world prices. Then we will have to pay all the bills. This will cause price hikes on all basic products.

I believe that the only way out of the crisis is to establish an equal and convenient union with CIS countries, mainly with Russia. Specifically, we can reach an agreement on common tax, banking, credit, and price policies.

[Khilkevich] Lately in Belarus, one can hear voices that can damage a centuries-old friendship between Russian and Belarusian people. Can one also hear similar voices in Moscow?

[Danilenka] You know, I have been in Moscow since 1980 and I have never heard a harmful word addressed toward Belarusians. Apparently, someone is interested in ruining our friendship. One can only suspect who, but I will repeat that a very friendly attitude toward Belarusians exists in Moscow.

I am saying frankly: Russian people consider Belarusians as the best embodiment of the Slavic spirit. I believe that it is easier to save relations then to later restore them. However, I am afraid that hotheads have an false idea about the Belarusian economic situation. If we exacerbate relations with Russia, the results will be unpredictable.

[Khilkevich] You have mentioned the Slavic spirit. What do you think about the platform of the "Slavic Union"? You are an optimist, aren't you?

[Danilenka] When it comes to optimism, I must let you down. Year after year, it gets weaker. On the "Slavic Union" account, I can say that it sounds good. However, the name and the number of countries is not what counts. The most important issue, in my opinion, is how it will operate. Judging from the intensity of work that U.A. Zalamay's [chairman of the State Committee for CIS Matters] team is performing, documents to be signed will be prepared on time, and what is more important, they will be of high quality. Quality documents are crucial to success.

The next stage is to determine how the mechanisms of this union work and what rights will the republics have. But that is not all yet. Legislatures of the countries signing the documents will have to be convinced that this union is indispensable, like air and water.

So, you see how many "ifs" we have collected only touching upon this issue. Going deeper, we could debate it for hours. So, there is no reason for optimism today. But without a strong trust in success, we politicians cannot work. People believe us, they count on us. We cannot wring our hands in despair, no matter how complicated the situation.

Organizations Back Call for Unity With Russia

PM0709113193 Moscow PRAVDA in Russian 2 Sep 93 p 1

[Oleg Stepanenko report: "Belarus: You Cannot Make a State Out of Fragments"]

[Excerpt] Readers learned from an article entitled "Long Live Revival!" published in PRAVDA 26 August that a movement toward a united state has begun on the initiative of Russian and Belarusian people's deputies. This news rocked the public—people found hope. The PRAVDA office telephone did not stop ringing: "At last. Thank you!" "Tell the deputies that we support them!"...

Many political organizations have announced their support for deputies' first step to restore a united state. The largest association—the People's Movement of Belarus—comprising 18 parties and public structures, has issued a special statement.

Leaders of Belarus' largest sociopolitical organization of working people—the Movement For Democracy, Social Progress, and Justice—the "Belaya Rus" Slav Assembly, the Union of Afghan War Veterans, the Belarus Officers Union, and the Belarus Komsomol [Communist Youth League] and representatives of a number of social foundations have stated their total support for the steps aimed at reviving state unity with Russia and other fraternal republics.

Russian Gas Shipments Increased

WS0609155893 Minsk Radio Minsk Network in Belarusian 0300 GMT 6 Sep 93

[Text] The Belarusian gas deficiency is over. Daily Russian gas supplies to Belarus have increased to 27 million cubic meters. Although this is 5 million cubic meters less than it had always been, practically all enterprises have resumed their work. The goodwill of the Russian Stock Holding Association Gazprom is brought about by a motion of the Belarusian Council of Ministers according to which the last Belarusian payment for its gas debt will be paid in October.

Japanese Envoy Delivers Medical Supplies, Holds Talks

LD0709222593 Moscow ITAR-TASS in English 1944 GMT 7 Sep 93

[By BELINFORM-TASS]

[Text] Minsk September 7 TASS—Sumio Edamura, Japanese ambassador to Belarus, has handed over a gift to Belarussians from the Japanese Government - a 1.5 million USD worth of drugs and medical equipment.

Addressing the ambassador, Belarussian parliament speaker Stanislav Shushkevich thanked the Japanese people for sympathizing with the troubles and needs of Belarussians who had suffered from the Chernobyl catastrophe.

The Japanese people know very well the wartime horrors and the dreadful aftermath of nuclear bombings, Shushkevich emphasized.

Edamura affirmed the truth of what Shushkevich said. According to Edamura, Japan will send another 1.0 million USD worth of medical supplies as a gift in November.

The Japanese Government will see to it that the cargo arrives in Minsk on time, Edamura said.

Belarussian Prime Minister Vyacheslav Kebich received the ambassador. Edamura also negotiated with Belarussian foreign minister about the development of bilateral ties between their countries.

They discussed certain aspects of consulate and economic cooperation, cultural exchanges and bilateral cooperation in the field of nuclear non-proliferation.

Application for UN Aid To Repair Flood Damage

PM0709135993 Moscow IZVESTIYA in Russian 1 Sep 93 First Edition p 1

[Mikhail Shimanskiy report: "Belarus Hopes For UN Assistance"]

[Text] Minsk—Belarus has submitted a report to the United Nations about the natural disaster that has befallen it.

Although it is still difficult to accurately quantify the losses which the republic suffered as a result of the floods, it is now clear that the economic situation in the republic will not make it possible to fully compensate the damage from the disaster. A UN special envoy has arrived in the republic, and he immediately set off for the areas which have suffered in order to familiarize himself with the situation on the spot. But meanwhile, the republic government has allocated another 15 billion rubles [R] to the areas which have suffered in addition to the R6 billion which were allocated earlier.

Shushkevich Says Belarus Needs Own Army for Security

LD0609223193 Moscow Mayak Radio Network in Russian 2130 GMT 6 Sep 93

[Text] On Sunday, first year students at the Minsk Higher Military Command and Engineering School took the military oath of allegiance to the people of Belarus on the capital's Independence Square. Belarus' Supreme Soviet Chairman Stanislav Shushkevich greeted the future officers of the national army. He said, in particular, that in the current climate of political instability in different regions of the former Soviet Union, Belarus needs its own armed forces for the sole purpose of ensuring its sovereignty and security.

Opposition Demands Legislature's Dissolution

WS0709121093 Minsk NARODNAYA HAZETA in Belarusian 26 Aug 93 p 1

[Article by Zyanon Paznyak, leader of the Belarusian Popular Front, BNF: "Change of Power Is Necessary"]

[Text] Unfortunately, the BNF's [Belarusian Popular Front] predictions about consequences of the antinational policies pursued by the communist nomenklatura, its government, and the Supreme Soviet have been forgotten.

The market basis for the economy has deliberately not been created; economic reforms have deliberately been halted; the finance and credit system has deliberately been undermined; the introduction of the national currency has deliberately not been prepared; the land issue has deliberately not been resolved; the structural reform of the economy has deliberately not been implemented, and the new oil and natural gas suppliers were deliberately not found. Instead, the Soviet power of the nomenklatura has been preserved in its entirety; the antimarket and antieconomic taxing system was created; and the mechanism for pilfering national property by individuals and power groups was launched.

Just as we warned for the past three years, the nomenklatura's policies eventually resulted in a dramatic

growth of inflation, sharp price increases, deterioration of people's standards of living, and the artificial dependence on Russian energy sources.

Having led our country and its economy into a blind alley, the corrupted government and the nomenklatura majority in the Supreme Soviet are now prepared to sell our independence and the state, and give away our national property and enterprises to Russia as repayment for virtually nonexistent debts. At the same time, as befits propagandists, all the wrongs are blamed on the "collapse of the USSR," on the "break of links," and on "Belarusian sovereignty." This is how the ruling Belarusian nomenklatura implements the Russian imperial policy and commits state treason.

Russia's moves to delay payments for our goods coupled with a perfidious monetary policy, the oil blockade, and periodic stoppages in gas deliveries can be described as the policy of a hostile state which is in a state of war with Belarus. Its goal is to block the introduction of the national currency, the taler, in our country, to force us into a military union with Russia, and to put an end to our independence.

I believe that the policy of imperial blackmailing and Belarusian nomenklatura treason will continue as long as the present government and the Supreme Soviet exist. As in the past, the situation will get even worse. It cannot be saved by demagoguery about an economic union or credits (they would be misappropriated or pilfered anyway). Under the present conditions, an economic union is not realistic and was designed as a political tool to cripple independence of Belarus and Ukraine, with the dramatic growth of unemployment and prices, the lack of money in circulation, dwindling production, and the lost harvest looming ahead. All this will be happening against the backdrop of the complete inability of managers to manage and the people to express their political will.

To evade this situation, all of us—workers, farmers, entrepreneurs, intellectuals, students—should realize that without political changes, problems cannot be resolved. Failure accompanied by social turmoil would mean a collective death. All of us must realize what steps should be taken.

I have frequently stated that the existence of the illegitimate Supreme Soviet and the Cabinet of Ministers constitutes a threat to our nation and the state. Now, this threat is clear and has taken a distinct shape. As the power of the Belarusian communist nomenklatura is virtually usurped and is not executed on legitimate principles, there is no way it would voluntarily step down. We see that to remain in power even for a little while, its representatives are ready to make our state a Russian prisoner and to throw our people into the military meat-grinder and into imperial ventures. They can only be brought back to soberness and be stopped by strong and massive public actions. Under the circumstances, (which, one should admit, are unfavorable to Belarus) the first demand should be the resignation of the prime minister, the dissolution of the Cabinet of Ministers, and the formation of a provisional coalition government of all noncommunist forces, including democratic parties and movements, all trade unions (the Belarusian Trade Union Federation among them), representatives of high-level management who share the independence-minded position of agricultural deputies understanding the necessity of market reforms. At this point and in the current situation, this approach (the alignment of noncommunist forces) could be constructive. The fight for political priorities would inevitably drag out the existence of the communist government.

The next necessary and urgent move should be the dissolution of the old-regime Supreme Soviet and calling early democratic legislative elections. There is a mechanism for this. The Supreme Soviet annuls the illegal resolution of 29 October 1992, banning the referendum, and in compliance with the law, adopts a decision (a resolution) with the wording proposed for the referendum. This is a legal and most realistic way, requiring only a simple majority of votes. The other avenues (the adoption of a new Constitution or amending the present one) are not likely to work even supported by public pressure. Besides, they would be protracted and laborious, resulting in a loss of time and the pace of the reforms. In the event of a complete lack of understanding on the part of the Supreme Soviet, the only option left would be the Constituent Assembly (the decision in favor of the elections).

The public should not let itself be deceived by the tricks of the communist nomenklatura, such as presidential elections held before the adoption of a new Constitution. The illegitimate legislative body elected in the Belarusian Soviet Socialist Republic (a nonexistent state) cannot adopt the Constitution of a new state. This would be absurd. The new Constitution should be crafted by the newly elected legislature.

Time will show what policies a coalition government and a new legislature (the Belarusian Soym) will implement. The opposition BNF in the Supreme Soviet has long and frequently set forth its principles and approaches to the economic and state policy of Belarus. Any normal legislature will immediately resolve the land and ownership issues, rearrange the taxing policy (lower taxes) to encourage production as well as to ensure the inflow of bank capitals, budget incomes, and economic investments. Any normal legislature will do its best to introduce the national currency, sort out the financial and credit system, curb inflation, and regulate circulation of the money. A new legislature should urgently solve the issue of energy supplies. There should be no problems with oil in the market economy. The current crisis and shortages are artificially created. This situation plays into the hands of various shady businessmen and corrupted individuals, and is in line with pro-Russian policies. The real solution of the oil issue is not a problem, it can be settled within several months. One should lift all restrictions on oil imports and purchase it

for world prices. Poland, the Baltic states, and the rest of the world showed how this should be done. In this country, the oil problem (caused by either deficient intellect or lack of conscience) destroyed the economy and pushed the state into committing suicide.

It is obvious that the structural reform of management should take place, otherwise the transformation will be choked up. One should liquidate the Soviet system of local authority, introduce municipal governing, sort out the administrative division, pass the law on state service, etc. This has been written and talked about many times. Basic truths, known even to high-school students, are borne out by life. In our country, people remember them only when they find themselves in a spot. However, instead of seeking solutions, the Cabinet of Ministers worsens the situation. Suicides cannot govern the country.

Proposals and discussions about the reforms make no sense at this point. Just as in the past. In the past, however, people still had some confidence in the leadership. First of all, political changes of power are necessary. That is a prime condition. A dead body cannot govern the live one. Unless it is a nightmare... and in Belarus.

Moldova

Sangheli Favors Economic Union Within CIS

PM0609095593 Moscow ROSSIYSKAYA GAZETA in Russian 3 Sep 93 First Edition p 6

[Moscow International Radio report carried in the "Commonwealth Countries: Events, Facts, and Commentaries" column: "Chisinau"]

[Text] Moldovan government head Andrei Sangheli has stated that he will take part in the upcoming meeting of CIS heads of state in Moscow at the beginning of September. He also spoke in favor of Moldova's participation in the economic union within the framework of the Community. This statement was made by the Moldovan premier after his recent meeting in Moscow with Russian Federation government head Viktor Chernomyrdin. At their talks they discussed problems concerned with supplying Moldova's fuel and energy complex and industry with raw materials, as well as problems involving food purchases and transportation. The leadership of Moldova, which did not join the CIS after the collapse of the USSR, considers that, thanks to the new economic union, the republic will be able to restore its industrial production and organize the sale of its goods in the markets of Russia and the other CIS countries.

Russian Army Commander To Stand for Dniester Parliament

LD0509220693 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 5 Sep 93

[By Ostankino television correspondent Yuriy Selivanov, including recorded interview with Russian Army General Aleksandr Lebed, commander of the 14th Russian Army in Dniester; introduction by program presenter Yevgeniy Kiselev; from the "Itogi" news program]

[Text] [Kiselev] The destiny of economic ties between Russia and Moldova and the situation in the Dniester region, were the two chief issues under discussion this week at a meeting between Presidents Yeltsin and Snegur. Observers comment that the Russian side is still firmly insisting on discussing the contentious issue of the withdrawal of the Russian Federation 14th Army from the Dniester region only strictly in conjunction with a settlement of the issue of granting a special legal status to that region. [break in transmission] Our correspondent Yuriy Selivanov gives details on the situation in the Dniester region in his dispatch.

[Selivanov] Anyone who happened to be in Tiraspol on 2 September at the festivities surrounding the third anniversary of the proclamation of the Dniester Moldovan Republic here could plainly see that it is not peace but only a pretty fragile truce that has been established in the Dniester region. The impressive military parade, in which both armored military equipment and even military aviation, as well as infantry subunits took part, demonstrated not so much the growing might of the Dniester region's armed forces as the impasse which still exists in the negotiations with Moldova on a final peaceful settlement of the conflict. In addition, although there has recently been evidence of a certain mutual understanding between Chisinau and Tiraspol in the economic sphere, their positions on the main issues—the juridical status of the Dniester region, and the schedule for the withdrawal of the Russian 14th Army—remain diametrically opposed.

The tragedy of last year's war, which is only too evident in the ruins in the center of Bendery, prompts the Dniester region leaders to display the maximum firmness where the state independence of their unrecognized de jure republic is concerned. Today, Tiraspol agrees only on the creation of a confederation comprising three equal republics—Moldova, the Dniester region, and the Gagauz region. Chisinau is continuing to insist on eliminating the Dniester region's statehood, regarding it as an attempt upon Moldova's territorial integrity.

To a certain degree, Tiraspol's confidence in the soundness of its position is bolstered by the Russian 14th Army's continuing presence on the banks of the River Dniester, the commander of which, General Aleksandr Lebed, has long since become an independent factor in local political life. His recent decision to stand for election to the Dniester region Supreme Soviet is

regarded by observers in the context of a further strengthening of Russia's influence on the events in the region.

[Lebed] I did not nominate myself, the people of the Dniester region nominated me, and I respect their will and bend to it, obey it. After all, I am the commander of the 14th Army which is stationed on the territory of the Dniester region; I live here, I serve here, and I presume that I shall long be serving here still. There is a certain vacuum that has to be filled, namely by entering into the bodies of local authority, and I have no objection to that.

[Selivanov] Another question, if I may. You recently returned from Moscow. There are reports that clouds have once again gathered over your professional career. Is there any truth in them?

[Lebed] I have never served for the sake of my career. I have simply served. Quite a few scandals have been linked with my name, let's reckon there has been another, a minor one.

[Selivanov] One last question: While you were in Moscow, talks were under way there between the leaders of Russia and Moldova, and the issue of the withdrawal of your army from the Dniester region was touched upon. Have you been briefed on the results of these talks?

[Lebed] No, I have not.

[Selivanov] Incidentally, to judge from the results of the Russo-Moldovan talks which took place this week, Moscow is continuing to link the schedule for troop withdrawal with assigning a special legal status toor the Dniester region. However, while the politicians are arguing, peace in the Dniester region is being maintained by the bayonets of the joint peace-keeping forces. It is clear that unless a political solution to the problem is found, peace can neither be stable nor enduring. Nevertheless, despite the irreconcilability of the positions being adopted by the sides, the opportunities for compromises are far from exhausted.

Russian MPs Mark Dniester Republic Anniversary

MK0309160293 Moscow NEZAVISIMAYA GAZETA in Russian 3 Sep 93 p 3

[Unattributed report under the "NEGA Reports" rubric]

[Text] A Russian Federation delegation arrived in Tiraspol on 1 September on the eve of the third anniversary of the Dniester Moldovan Republic [DMR]. They represent the three factions "Smena," "Russia," and "Otchizna" [Fatherland]. The purpose of the delegation's arrival is not only to celebrate the DMR's independence day, but also to pay a working visit to elaborate joint plans for further developing the DMR. Speaking to members of the DMR mass media, the deputies shared their impressions of Dniester and their vision of the road covered over the past three years and the republic's future. "For Russia, Dniester is a symbol of freedom," deputies stated in particular, "and we will do everything we can so that the republic becomes recognized by the world community. We will not allow these proud people be brought to their knees."

The deputies also touched upon the question of withdrawing the Russian 14th Army: "The 14th Army is a shield not only for the DMR but for Moldova as a whole. It is impossible not to realize this. Withdrawing the 14th Army is advantageous not only to the enemies of Dniester's enemies but also to Russia's enemies," the deputies stressed.

Gagauz Leader Stresses Ties With Russia

PM0709145393 Moscow PRAVDA in Russian 4 Sep 93 p 1

[Interview with Gagauz Republic President Stepan Topal by special correspondent Viktor Kharlamov; place and date not given: "Stepan Topal: 'Great Russia Is in Our Blood'"]

[Text] Komrat-Moscow—The last time I was in the Soviet Union was two weeks ago, at the celebration of the third anniversary of the unrecognized Gagauz Republic.

"Just consider yourselves to be on the territory of a renewed Union"—with these words we were greeted in Komrat by Petr Zavrichka, Gagauz "people's commissar for foreign affairs." "Historically Gagauzia is Russian soil, for centuries we have been connected to Russia by one umbilical cord..."

Gagauzia was actually the starting point from which the process in Moldova "got under way." The small people lost in the Budzhak steppes was the first, even before the proclamation of the Dniester Moldovan Republic, to issue a challenge to the People's Front of Moldova, which had taken a course of blatantly Romanianizing the country. Official Chisinau tore its hair out when the Gagauz proclaimed their autonomy. With good cause. Occupying a mere 7 percent of the territory of what was then Moldavia, Gagauzia supplied up to 70 percent of its tobacco, 40 percent of its grapes, and 32 percent of its wheat harvest.

To start with insults and historical flights of fancy came into vogue. The Moldovan parliament stated that no such people as the Gagauz existed in nature and that consequently there could be no question of any autonomy. Then Chisinau sent in 80,000 armed volunteers against the tiny people. Had it not been for the intervention of the internal troops of what was then the Union Ministry of Internal Affairs, who knows how many human lives would have been claimed by the conflict about to break out in the Budzhak steppes...

It was with the background to the conflict that our interview with Gagauz Republic President Stepan Topal began:

[Topal] We started with something small, requesting that the Moldovan leadership merely grant us autonomy. But all attempts to obtain a state status acceptable to us were rejected out of hand, so to speak. What else could we do, faced with the threat of forcible Romanianization? We could only seek a way of solving the problem autonomously, and that is what we did three years ago. So the creation of the Gagauz Republic was merely a means of defending its national interests. Which, incidentally, in no way infringe Moldova's interests. We still stand for what is in our view the optimum state structure—a federation...

[Kharlamov] But your relations with Chisinau have now become deadlocked...

[Topal] The Moldovan parliament, which is scarcely functioning following the refusal to ratify the Almaty agreements on the CIS, has itself become deadlocked.

[Kharlamov] It may be a subjective opinion but, Stepan Mikhaylovich, you will agree that such a tiny republic as Gagauzia is unlikely to be able to exist autonomously...

[Topal] Indeed, compared even with the Dniester region our situation is much more complex. The Dniester Moldovan Republic has developed industry, a common border with another Slav state—Ukraine, and a natural border with Moldova—the Dniester River. We have neither the first, nor the second, nor the third. Still, the very fact that our republic and the Dniester Republic exist has a sobering effect on the hotheads in Chisinau—otherwise we would have been part of "Greater Romania" long ago.

[Kharlamov] But the Moldovan side is criticizing you for the opposite—Gagauz nationalism, propagating pan-Turkism...

[Topal] What pan-Turkism can that be?! We are an Orthodox people, we have four officially recognized languages—Gagauz, Moldavian, Russian, and Bulgarian. Incidentally, by no means all Gagauz know their native language, preferring to speak Russian...

[Kharlamov] Nonetheless, how correct are the comments in certain mass media about Gagauzia's desire to come under Turkish influence?

[Topal] Unfortunately, although we have good contacts with the Russian parliament, little reliance is currently being placed on Moscow. So we have to balance between two worlds, as it were—the Turkish-speaking and the Russian worlds. Yet people living in this region will never be able to forget their unity with Russia. The great power, the great Union is in our blood...

Dniester Republic's Marakutsa Interviewed

PM0609134593 Moscow ROSSIYSKAYA GAZETA in Russian 2 Sep 93 First Edition p 7

[Feature under the "Date" rubric comprising interview with Grigoriy Marakutsa, chairman of the Dniester Republic Supreme Soviet, by Lyudmila Feliksova; place and date not given; and undated report from Chisinau under the general headline: "We Will Stand Our Ground, No Matter What"]

[Text] The Gagauz celebrated their independence 19 August, the Moldovans did the same 27 August, and the Dniester Republic is marking its Republic Day 2 September. Everyone has a separate holiday.

The Dniester Republic, which is not recognized in law, exists in reality—with its own state power structures, army, symbols, and independent economy.

Grigoriy Marakutsa, chairman of the Dniester Republic Supreme Soviet, comments on this state of semi-legal but nonetheless completely real existence:

[Marakutsa] Moldova diligently created our republic with its own hands—by its poorly thought-out politics and economics, and then by military intervention. This year, right until our declaration of independence, we tried to explain ourselves to Chisinau, but we got no answers to any of our proposals. It was only after this that a referendum was held in the Dniester Region, which confirmed the people's will to live according to their own lights and not in accordance with somebody else's rules.

Our region has been labeled separatist, but we have still not left Moldova. And today we are still prepared to look for a way to build a common home with one set of external borders, but with federal principles of internal organization. Again Moldova is not agreeing to this and might cause delays again.

The Dniester Republic, like everywhere else, has different political forces. Some are looking with hope toward Russia alone, others to Ukraine, and others still are demanding a full and unconditional separation from Moldova. Difficult talks have been held with Chisinau nonetheless. But after the recent parliamentary crisis caused by the Moldovan deputies' refusal to sign the Almaty agreements, these talks have finally come to a standstill.

We cannot see ourselves outside the framework of the CIS, to whose republics we are closely linked. Approximately 90 percent of the Dniester Region's imports and exports of products and raw materials are associated with regions of the former Union. Common sense, I am convinced, is ultimately prevailing, and a single economic area will come into existence.

Moldova's reorientation exclusively toward the West, which will help someday, and primarily toward Romania, is not only alienating the Dniester Region,

The future of citizens in Moldova itself cannot be predicted. Their living standard is unlikely to get better, even if Moldova and Romania were to unite: You don't get wealth by multiplying two sets of poverty.

[Feliksova] But the Dniester Region is also living in conditions of economic crisis.

[Marakutsa] Yes. There are problems, and this is further confirmation that all of us, however much we ignore the fact, are located in a single economic area, but the Dniester Republic's two years of independence in extremely difficult conditions of blockade by the Moldovan side and the military conflict which Moldova foisted on it have demonstrated our republic's viability.

Industry is working in stable conditions, the state debt is not particularly large, and the budget is balanced. The decline in production, even in conditions of military confrontation, was only 5.4 percent. Right now all the preconditions for growth exist, if, of course, we are able to preserve peace on our land.

Unlike Moldova, we have not ditched our traditional ties; on the contrary, we have extended them. A number of industrial enterprises are confidently making inroads into the Western market and earning foreign currency.

The Dniester Region has been labeled a "communist island" but, unlike many people who just talk about market relations, we actually embarked on these relations long ago. From the outset enterprises were allowed to go their own way as free commodity producers, and moreover nobody started to strangle them with taxes, nor is export production liable to any state tax for the first two years. The foreign currency that enterprises have earned has helped them to broaden production, bring in new technologies, acquire equipment and develop products that are qualitatively new and attractive even in the West. Right now we don't just have one or two such enterprises.

Their maximum autonomy is socially oriented: They provide their workers with housing, food, and children's facilities. Take the Ribnita Metallurgical Combine, for example. It is currently supporting practically the entire infrastructure of the city. But it all began with the enterprise earning foreign currency independently. And now, in addition to the basic product, other kinds of products have appeared. A shoe factory and a brick factory have been set up jointly with the Canadians, and the Japanese have helped to organize the manufacture of modern tape recorders for which there is a big demand.

Basically, economic advantage and not ideological considerations are determining the behavior of producers and our republic. We therefore believe in success. We have every justification for this belief. The Dniester Region occupies 12 percent of Moldova's total area, 17 percent of its population live here, and they produce about 40 percent of its GNP. And this is one of the reasons why Moldova does not want to part company with the Dniester Region. But at the same time it will not back down from its own mistakes. It keeps repeating the same thing, that the dozen or so leaders in the Dniester Republic are of no significance and the people, they say, do not really want independence.

What can one say about this? No authority can endure if it does not have the support of the people. We are prepared to hold as many plebiscites as it takes, monitored by any international organizations, if Moldova really is interested in the Dniester Region's opinions, and not obsessed by its own ideological aims. [Marakutsa ends]

...And Meanwhile

Chisinau—Lieutenant General A. Lebed, commander of the 14th Russian Army, has agreed to run as candidate deputy to the Dniester Region Supreme Soviet for No. 35 Tkachenkovskiy Electoral District in Tiraspol. He was nominated by the Union of Dniester Region Women and the inhabitants of Fedko Street. As he has stated, the offer came as a surprise to Lebed as well, but he does not intend to become a big-name deputy.

There is another misunderstanding here as well. Lebed is a Russian citizen and thus a foreigner. Can he be a Supreme Soviet deputy, and what is more a deputy in an unrecognized republic? The general answered this question with typical bluntness in an interview with the 14th Army newspaper SOLDAT OTECHESTVA [Soldier of the Fatherland]. "People who think I'm foreign are just simpletons. They will insist that I can only be approached through an interpreter translating from Russian into Russian."

Three other candidates in addition to Lebed are contesting the deputy's mandate, but many people are inclined to believe that the military general's victory is in the bag.

Foreign Trade Relations Developed With 50 Countries

AU0809112193 Bucharest ROMPRES in English 0833 GMT 8 Sep 93

[Text] Bucharest ROMPRES, 8/9/1993—The share of foreign trade in the Republic of Moldova (not taking into consideration the former Soviet republics) reached over January-May 1993 some $155.7 million, with a 1.9 million dollars deficit, according to statistics released.

The major trade partners of the Republic of Moldova were: Romania with 34.4 percent of its commercial activities (which is a slight decrease as to the same period of 1992), Germany with 15.8 percent (5.2 percent over January-May 1992) and Bulgaria with 6.7 percent (12.6 percent).

Goods worth $76.9 million had been exported during the first five months of 1993 (10.1 percent as compared to the same period in 1992). A large share in exports was

held by consumer goods while an increase was registered to imports of rags (2.3 times), footwear (2.1 times) and TV sets (1.7 times).

Imports registered some $78.8 million, which is 20 percent higher as to the same period in 1992. A slight increase was shown to imports of several goods like cotton fabrics or cocoa, while imports of cereals and footwear registered a decrease. An improving tendency of the foreign trade structure is obvious for barter transactions registered lower figures, while hard currency operations were carried out more frequently.

Over the mentioned period the Republic of Moldova developed trade relations with 50 states, as to only 28 one year ago.

Statistics Show Decline in Economic Performance

AU0309205393 Bucharest AZI in Romanian 31 Aug 93 p 10

[Unattributed article: "The Economy of the Republic of Moldova Is Also Declining"]

[Text] Statistics published by the State Department for Statistics of the Republic of Moldova show that, in the first half of 1993, the overall volume of commodities totaled 172.6 billion rubles, which means a reduction of 10.8 percent compared with the January-June period (22.5 percent in the case of foodstuffs, 7.5 percent in alcoholic beverages, and 5.1 percent in commodities of the light industry).

The volume of commodity sales during the first half of the year has decreased 17 percent, that is by 91 billion rubles compared with the same period last year.

Decreases have been recorded in meat, sausages, butter, fish, eggs, flour, vegetables, and pasta products. Alcoholic beverages, fruit juices, and canned meat, however, have increased.

The redistribution of money expenditure, price hikes, and the commodity deficit in the trade network have led to a decline in sales in the first half of 1993 in the case of television sets, refrigerators, leather footwear, and cotton fabrics. The evolution of stocks indicates the increasing imbalance in the consumer market. If, on 1 July 1992, the commodity stocks in the retail trade ensured sales for 63 days, on 1 July 1993 they ensured sales for 36 days worth 23.5 billion rubles.

In the first half of 1993, public services paid for by the population totaled 14.1 billion rubles; this means a decrease compared with the same period last year. This is explained by the increase in prices and tariffs, and the declining demand for certain public services.

In January-May 1993, the volume of foreign trade totaled $155.7 million, that means a negative balance of $1.9 million, the statistics published by the State Department for Statistics of the Republic of Moldova show.

In an interval of five months in 1993, commodities worth $76.9 million were exported, especially consumer goods. Compared with the same period last year, foreign trade mainly focused on exports of carpets (2.3 times), footwear (2.1 times), and television sets (1.7 times).

In the first half year, commodities worth $78.8 million were imported (that is 20 percent more than in 1992). Imports of cotton fabrics increased 32 percent and cocoa 13.8 times over, while incoming grains decreased by 106 million tonnes and footwear by 22 percent.

In the first half year, the Republic of Moldova maintained economic relations with 50 countries compared with 28 in 1992.

Kazakhstan

Foreign Minister Visits Turkey, Invites Turkish Leaders

LD0709205193 Almaty Kazakh Radio Network in Kazakh 2300 GMT 6 Sep 93

[Text] Kazakhstan Foreign Minister Tuletay Suleymenov has paid an official visit to Turkey. He was received by President Suleyman Demirel and Prime Minister Tansu Siller. They stressed once again the wish of both sides to strengthen and develop cooperation. Emphazis was laid on the need to fulfill the agreements previously reached in the political, economic, and cultural spheres. Tuletay Suleymenov conveyed Nursultan Nazarbayev's warm greetings and re- affirmed an earlier invitation to Demirel to visit Kazakhstan. Prime Minister Tansu Siller was also invited to visit Kazakhstan.

Nazarbayev Interviewed on Progress of Privatization

LD0309192993 Moscow Mayak Radio Network in Russian 1247 GMT 3 Sep 93

[Text] We now have Almaty on the line. Our correspondent Viktor Glukhovtsev has told us he has an interesting piece of economic and political news. Go ahead, Viktor, you are on the air.

[Glukhovtsev] Good evening. Kazakhstan President Nursultan Nazarbayev held what I think was an important conference in Almaty today. It was attended by presidents of joint-stock and holding companies, and by the Cabinet of Ministers headed by Prime Minister Sergey Tereshchenko. They discussed the ways of putting right Kazakhstan's economy, the most effective way of implementing the reform policy and the privatization program.

The conference noted that a lot of work is being done, but that many measures are ineffective, and hence great efforts and huge expenditure are not always yielding the desired results. The economy cannot get away from the old familiar ways and ties, and does not care to turn production toward Kazakhstan's internal needs, its internal market, which is presently experiencing severe shortages in virtually all vital industrial products.

In his address, President Nazarbayev said: We are looking for consumers far outside the republic, while we cannot meet the demands of our own population in most elementary goods. Thus we are losing people's trust in the reforms we are carrying out, and in the government's ability to stabilize the economic situation. The president said the mistakes that have been made should be put right quickly, particularly with regard to mass privatization.

After the conference, I asked Nursultan Abishevich [Nazarbayev] to give an interview for Mayak. I asked him what hopes he pins on the program of mass privatization. This is his reply:

[Begin recording] [Nazarbayev] This program has been approved by our parliament. We call it the second stage of privatization. The first was the mass privatization of enterprises with the work force of less than 200—shops, services, and small enterprises. It was announced today that 60 percent of these have now been privatized, which I think is not bad for Kazakhstan.

The next stage is the mass privatization of works and factories with a work force of under 5,000. This has to be done on a large scale and in a vigorous fashion. In our conditions, as the man in the street sees these matters, when we started from the bottom upwards it became chaotic: in effect, prerogatives were given to works' directors, and they did whatever they pleased. Therefore, we have now decided that it would be better for the state, being the owner, to conduct prompt mass privatization under its own strict supervision. Therefore, 125 holding and joint-stock companies have been set up, their presidents have been confirmed, and today for the first time we brought all these company presidents together and launched this major project to reorganize the way Kazakhstan's economy is run.

[Glukhovtsev] I listened to you speaking at the conference, and it seemed to me that I detected some kind of anxiety about whether everything will go the way the president has envisaged?

[Nazarbayev] I am anxious for the commanders, or the generals, as we have called them today, i.e. the presidents of these holding and joint-stock companies we have confirmed, to understand things right and to do what they have to do. The most important thing is for them to fully realize that what we are now doing, handing over to them 50 percent, is only a beginning. The state will continue to hand over its shares to them for further selling. Holdings are open, and foreign investors can take part too. The next stage will be to set up industrial-financial groups that will eventually own all the shares in these enterprises. In other words, these enterprises are going to be 100 percent private, owned by shareholders. This is what we are aiming at.

If these people understand this strategy right—and I have to say that we have a severe shortage of cadres, more than half of them are people who worked in the old times, when the main principle was to know the output, the economy, and one's own business [pauses] So there is anxiety about how they will perform, how they will take the whole thing forward. For this reason, we have instituted systematic supervision by the government. I personally receive monthly reports on the progress of privatization and denationalization. Heads of oblast administrations, ministers, and presidents of holding companies are submitting reports. That is to say, we are going to work on it systematically, and I believe it will do the trick. There is no other way.

[Glukhovtsev] Thank you very much for this interview for Mayak, and we wish you every success in what you have started.

[Nazarbayev] Thank you. [end recording]

Almaty Seen Resolved To Introduce National Currency

MK0309112893 Moscow NEZAVISIMAYA GAZETA in Russian 3 Sep 93 p 3

[Sergey Kozlov report under "Kazakhstan" rubric: "Almaty Is Ready To Introduce Its Own Currency Immediately After Talks in Moscow"]

[Text] The question about the introduction of a national currency in Kazakhstan has become even more acute and intriguing in the last few days than prior to the 7 August talks in Moscow. In spite of repeated assurances about his adherence to the ruble zone, President Nazarbayev is now talking about his readiness for any turns in the course of negotiations with Russia.

The most dramatic of these turns is Moscow's demand to place the ruble's circulation in Kazakhstan under the control of the Russian bank. There is no way the republic's leadership can agree to such a substantial loss of sovereignty and not just for economic considerations. Elections are just around the corner and the greatest accomplishment by the current Kazakh authorities—the declaration of sovereignty—could be disavowed if concessions are given to the "ruble" issue now.

Apparently unable to have its way in drafting the documents to be signed at the 7 September talks in Moscow, the Kazakh leadership decided to undertake a seemingly inconspicuous but quite far- reaching action. Members of the Kazakhstan Supreme Council Presidium were asked to put their signatures on a strictly confidential letter from the republic's National Bank leadership. The letter calls for the convocation of an emergency parliamentary session on 10 September which will decide the question of introducing a national currency, charging the government to approve the new procedures for financial settlements with Russia "in view of the fact that the Russian Federation has introduced its own national currency—the 1993-type Russian ruble."

Some parliamentary members consider both the form of the document (for instance, there is no signature by the chairman of the National Bank under the letter) and the timing chosen for the convocation of the session strange.

According to one theory, the talks, which are to be capped by the signing of final documents on the ruble zone, have come to a deadlock and unless an extraordinary change in the Russian position occurs, Kazakhstan will need a fallback option. It has also been suggested that this has been an inspired leak in order to make an impact on the Moscow partners in the talks. It is not ruled out, however, that Kazakhstan has indeed decided to part with the ruble.

Neither National Bank Chairman Galym Baynazarov, who carefully avoids any comment on this issue, nor his entourage in the bank would ever have dared to take such a step at their own initiative. All observers agree on that. This suggests that the "National Bank's letter" action is being directed from the very "top" and with the support of some fairly influential circles that have managed to "adjust" President Nazarbayev's position (which, incidentally, is not so rare after all).

For example, immediately after the "Russian exchange" operation the leadership of Kazkommertsbank, represented by its deputy board chairman Nurlan Subkhanberdin, came out with a sharp statement about the introduction of a national currency. Sauk Takezhanov, President Nazarbayev's influential adviser on economic matters and chairman of the parliamentary committee on economic reform, is a firm and consistent advocate of such a measure. A well informed source in parliament reports that he and Bisengali Tadzhiyakov, deputy chairman of the National Bank, were the initiators and authors of the letter on the convocation of an emergency session.

It is important to note that Supreme Council Chairman Serikbolsyn Abdildin himself made quite an unambiguous statement a few days ago: "It is hardly worthwhile indulging in a fundamental dispute about the necessity of introducing a national currency—at present one can only talk about a specific time frame."

It is quite possible that the "specific time frame" will be measured in just a few days or several weeks at the most, and then, along with the Turkmen manat and the Kirgiz som, the Kazakh tenge will appear in Central Asia.

Tereshchenko Favors Remaining in Ruble Zone

PM0809094793 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 1

[INTERFAX report under the "From Our Correspondents and News Agencies" rubric: "Question of Creating Single Currency of Kazakhstan and Uzbekistan Was Not Discussed"]

[Text] We are in favor of staying in the ruble zone because this is advantageous to Kazakhstan, Prime Minister Sergey Tereshchenko of Kazakhstan has declared.

The prime minister did not give a clear-cut answer to a question about the possibility of introducing a national currency in Kazakhstan if a unified ruble zone is not created for some reason, but he pointed out: "It is no secret that every state will introduce its own currency at some time, and Kazakhstan is technically ready for this." True, this is not the time to do this, in S. Tereshchenko's opinion. He also categorically rejected the possibility of creating a single currency of two states—Kazakhstan and Uzbekistan—at the same time pointing out that such an option has not been officially advanced by anyone or even been drawn up at all.

Agenda for Forthcoming Supreme Soviet Session

LD0709161093 Moscow ITAR-TASS in English 1439 GMT 7 Sep 93

[By ITAR-TASS correspondents Amangeldiy Akhmetalimov, Fedor Ignatov]

[Text] Almaty September 7 TASS—The chairman of the Supreme Soviet of Kazakhstan has signed a resolution to convene a parliamentary session soon. The first stage will be held in October and the second in December this year.

The main items on the agenda of the session will be associated with economic reform and development. Deputies will discuss the budget for 1994 and consider conversion of the military industry, the use of oil fields and the development of the republic's transportation system. Aspects of social development and the strengthening of law and order will rank with the most important.

Deputies will determine the minimum wage and pension and the duration of leave in the country. The criminal code, the status of the judges, the investigation activity, civil service and the rules of the state of emergency are also to be considered.

Kyrgyzstan

Joint Use of Russian Military Installations Discussed

MK0709083893 Moscow NEZAVISIMAYA GAZETA in Russian 7 Sep 93 p 3

[Unattributed NEGA report under "Kyrgyzstan" rubric]

[Text] Major General Mikhail Subanov, chairman of the Kyrgyzstan State Defense Committee, closed the past week with a meeting with Russian Ambassador to Kyrgyzstan M. Romanov. The sides discussed agreements on the joint use of Russian military installations on the territory of Kyrgyzstan and ways of implementing them. For his part, the ambassador promised assistance in resolving the fate of flight training school No. 5. With the aim to preserve this base, it is proposed to use it jointly in the interests of both counties.

Chingyshev Says Republic Will Join CIS Economic Union

LD0609081993 Moscow ITAR-TASS in English 0741 GMT 6 Sep 93

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek September 6 TASS—"Kyrgyzstan will fearlessly join the CIS economic union," Kyrgyz Prime Minister Tursunbek Chingyshev said in an interview with the newspaper DELO.

"The timely introduction of the national currency has ensured Kyrgyzstan's independence," the prime minister said, adding that "the creation of the economic union was acceptable for his country."

Foreign Minister Begins Official Visit to PRC

LD2808113893 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 27 Aug 93

[Text] An official visit by Ednan Karabayev, the minister of foreign affairs of Kyrgyzstan, to the PRC has begun. The purpose of the visit is to expand the political dialogue between the two countries and to discuss the promotion of cooperation in the political, trade, economic, and cultural spheres. The program of the visit includes meetings with heads of state and government and representatives of business circles. It is anticipated that a consular agreement will be signed, as well as agreements on cultural cooperation and international transportation communications.

Foreign Minister Concerned Over Tajik Situation

LD0609082493 Moscow ITAR-TASS in English 0759 GMT 6 Sep 93

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek September 6 TASS—Kyrgyz Foreign Minister Ednan Karabayev has expressed concern over the fact that developments in Tajikistan might destabilise the situation in countries, which are in some way involved in the conflict.

In an interview with newspaper DELO today, the Kyrgyz foreign minister said that he was concerned about the fate of thousands of Kyrgyz people living in Gorno-Badakhshan to which the centre of confrontation is being shifted. Kyrgyzstan cannot remain indifferent to the fate of the Kyrgyz diaspora abroad, but it is firmly convinced that the conflict around Tajikistan should be resolved by political means at a negotiating table.

The foreign minister pointed out the importance of strengthening Tajik national troops. "They should no longer pin their hopes on us, we have enough problems of our own," the Kyrgyz minister said.

On the other hand, Karabayev pointed out that Central Asian states and Russia cannot allow a breakthrough on the Tajik-Afghan border with the aim of changing the Tajik state system on religious- extremist grounds. This might entail the spread of terror and drugs to neighbouring countries, Karabayev said.

The foreign minister ended his interview in an optimistic tone. In his opinion, the roots of the conflict are not too deep and do not go beyond the struggle for power between the government and the opposition.

Akayev Doubts Ruble Zone's Future

PM0609140193 Moscow ROSSIYSKAYA GAZETA in Russian 2 Sep 93 First Edition p 4

[Item from roundup of INTERFAX, RIA-NOVOSTI, POSTFACTUM reports: "Ruble Zone Will Not Survive 1993"]

[Text] The ruble zone will not survive 1993. This is the opinion of Kyrgyz President Askar Akayev. He is convinced that all the republics will introduce their own currencies.

In his opinion, this is necessary "in order to pursue an independent economic credit and monetary policy." At the same time A. Akayev sees a need to reinforce the Commonwealth, creating an economic union within its framework.

Tajikistan

Yeltsin, Nazarbayev Send Greetings on Holiday

LD0709210493 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 7 Sep 93

[Text] The president of the Russian Federation has sent a telegram of congratulations to Imamali Rahmonov, chairman of the Supreme Soviet of the Republic of Tajikistan. The message reads as follows:

Dear Imamali Sharipovich! On the occasion of the second anniversary of the proclamation of independence of the Republic of Tajikistan, accept my sincere congratulations.

The people of Tajikistan are celebrating their national holiday amid a complex situation, as the country is, during this period, solving the issues of eliminating the consequences of the internal war, restoring the economy and society, strengthening its defense capability, and protecting its independence and the unity of the state's integrity.

Russia, which is true to the long traditions of the friendship between our nations and the text of the 25 May friendship and cooperation and mutual assistance agreement between Russia and Tajikistan, will render Tajikistan all-round assistance in future and support it.

I am sure that the cooperation and all-round relations between our countries will be served in the interests of the nations of Russia and Tajikistan, of strengthening the CIS, and of ensuring peace and concord in the Central Asian region.

I wish you good health and success in your activity and I wish the friendly people of Tajikistan days of reconciliation and a calm life.

A similar telegram was received from Nursultan Nazarbayev, president of the Republic of Kazakhstan. It says: Dear Imamali Sharipovich! On the occasion of the celebrations of the national holiday, the independence of the Republic of Tajikistan, accept my congratulations.

I am sure that the long fraternal and friendly relations between the two nations will be improved and developed in future for the well-being of our nations. Taking the opportunity, I want to assure you that Kazakhstan will actively support your efforts to restore peace and justice and the well-being of the people of Tajikistan.

I wish you good health and well-being, and to the people of Tajikistan progress and peaceful development.

Foreign Minister on Kozyrev's Upcoming Visit

LD0709223693 Moscow ITAR-TASS World Service in Russian 1650 GMT 7 Sep 93

[By ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, 7 Sep—The forthcoming working visit by Russian Foreign Minister Andrey Kozyrev to Dushanbe is of exceptional importance for the further development of Tajik-Russian relations.

This is the view that Tajik Foreign Minister Rashid Olimov expressed during today's telephone interview with an ITAR-TASS correspondent. First and foremost, noted the minister, Kozyrev will be visiting Dushanbe immediately following the completion of his visit to Afghanistan on 9 September. Tajik Supreme Council Chairman Imamali Rakhmanov has recently paid an official visit to Kabul and, naturally, the sides are continuing with their consultations, debating the current problems along the border between Tajikistan and Afghanistan and how to coordinate their efforts to stabilize the situation in the region as a whole.

The Russian minister's working visit coincides with the second anniversary of Tajikistan's proclamation of its independence as a state, and it is quite obvious that talks on deepening bilateral cooperation in various areas will be continued in Dushanbe. The sides will also carefully examine problems connected with the planned meeting of the CIS heads of states and governments in Moscow on 24 September.

"We intend to exchange views with Andrey Kozyrev concerning possible joint steps at the 48th session of the UN General Assembly in New York. In a word," concluded Alimov, "Kozyrev's agenda of meetings and talks in Dushanbe will be very busy."

The minister noted that following the signing of the treaty on friendship, cooperation, and mutual assistance between the Russian Federation and the Republic of Tajikistan, bilateral relations were successfully and fruitfully developing and both Dushanbe and Moscow intended to confirm their desire for the continued development of an equal and fraternal cooperation.

Turkmenistan

President Niyazov Outlines Attitude Toward CIS

PM0609132393 Moscow IZVESTIYA in Russian 4 Sep 93 First Edition p 4

[Article by Turkmen President Saparmurat Niyazov: "Our Attitude Toward the CIS"]

[Text] Too little time has passed since the flag of the USSR was last lowered to be able to make a more or less unambiguous assessment of what has happened. Was it an unmotivated, chance historical occurrence or a long-term, phased process, sometimes covert, sometimes overt, but which ultimately brought about the end of a unified state?

There have been heated arguments on this score, and the unproductive debates are sometimes very implacable. But what is surprising about these arguments is that an objective historical reality—the emergence of new independent states—has become almost an afterthought. To my mind, the arguments will be unable to reach a resolution without taking account of this decisive component.

With regard to Turkmenistan, we believe that the democratic processes which began in Russia and created the conditions for the former republics to become sovereign states were a reflection of an objective historical process. This view is supported by the fact that the universal holding of referends prior to December 1991 produced the virtually unanimous response "Yes to independence."

But, even then, politicians and economists realized that the separation process could be very painful. All the more so as there are always unhappy parties in any "divorce"—some will feel tricked, others will start looking at their neighbor with envy. This will be followed by mutual "economic sanctions," grievances, and rebukes (I would note in passing that these forecasts have been fully borne out in practice—it will now take a considerable amount of restraint and political will to prevent either myself or, much less, my people being drawn into counterproductive recriminations).

It was obvious that we would not be able to do without some kind of mechanism to replace the old one. The CIS emerged and was seen by everyone as a structure that made it possible to reevaluate old ties at a new level and in a new situation, whereby each CIS component had become at one and the same time an entity in international law and a sovereign state with all the powers and responsibilities that implies.

Then, in our view, two different conceptual approaches to the CIS model were formulated.

One of these—we will call it the "hard-line" model—proposed the financing of integration between the CIS members and the unification of the member states, irrespective of their economic, geographical, or national features. This approach was clearly an attempt to revive the former center and revealed a nostalgia for realities that had had their day.

After all, because of the unequal economic development of the former union republics over the course of 70 years, their profound interdependence as a result of strict union integration, their national and geographical features, and the differences in the domestic political situation, it was simply impossible when the USSR collapsed to elaborate a unified mechanism for administering them from any kind of center.

We are convinced that society's transition from faceless state ownership to market relations will move along its own path in each new independent state and differ from the others in terms of time taken and content. This is a complex process, during which social stereotypes will be broken down and the people will gain a new quality of self-awareness. This period is scheduled to take 10 years in Turkmenistan. This program takes account of our economic position and the sociopolitical realities. It is a long time, but, with a view to interethnic harmony and stability in the country, it is necessary. The program will make it possible to avoid interethnic cataclysms, social problems, and negative influences on broad sections of the population. We have tried to take everything into account—something which no central authorities would have been able to do.

From the very outset Turkmenistan has tried to offset the ineffectiveness of CIS mechanisms by establishing bilateral relations with Commonwealth countries and concluding various agreements with them, viewing the CIS mainly as a consultative mechanism and an opportunity to exchange ideas and experience, and to outline action programs. This approach strikes us as more flexible and, consequently, more effective.

Life has shown that bilateral agreements are the most reliable basis for resolving the problems that arise—they do not require such cumbersome agreements or the linkage of the different (and often diametrically opposed) interests of participant countries, which inevitably arise when collective agreements are being worked out.

As an example I can cite the agreements between Russia and Turkmenistan on joint armed forces, the protection of the state border, financial collaboration, trade and economic cooperation, and so forth. We currently have similar relations with virtually all the new states that have emerged on the territory of the USSR.

This approach, in our view, does not undermine any collective efforts but creates conditions for the fuller consideration of the interests of all Commonwealth states.

The CIS could also have a very important role to play as a consultative mechanism. We are proceeding from the premise that universal collective agreements should

create the overall normative framework to be used as a basis for the formulation of a more detailed and pragmatic system of agreements with the participation of two, three, or more sides. This is how we can embrace, with agreements, both the most general interests of our countries and the specific interests of each individual state, while sacrificing nothing, infringing nobody's rights, and making no restrictions in the implementation of our own plans.

This flexible structure could become not only equivalent to the previous center but could even surpass it in terms of the efficiency of its organization.

At the same time, we are convinced that taking a "hard-line" and categorical attitude toward this will more likely damage us and create barriers in places where the doors should be kept open.

All of the above also applies to one extent or another to the Economic Union within the CIS framework. In our opinion, the strength of it should lie in its economic attractions, voluntary nature, and mutual benefit for all who enter it or might wish to join it in the future.

The range of ideas forming the basis of the Economic Union that is now being set up is shared and supported by Turkmenistan. Associate membership, very sensibly provided for in the treaty, will allow Turkmenistan to take part in consultations on the most important economic problems—including the implementation of agreed interstate programs—and, at the same time, not to violate its own already ratified and implemented programs to develop the national economy and the system for its legal regulation, or collaboration with Commonwealth states on a bilateral basis.

This means for Turkmenistan a traditional and principled approach to the questions of interstate integration—and this alone, in our conviction, can form the basis for the really effective, mutually advantageous, and noncoercive integration of the newly independent states.

The Russian Federation has a special role in the CIS. Without wishing to see any new center in place, we are nonetheless clearly aware that the Commonwealth's backbone has been, is, and will continue to be Russia—and not only by dint of its political, economic, and cultural potential, but also because it is an initiator and leader in the formation of new relationships with all its former union partners.

Russia is currently finding it difficult to bear the burden of leader—its own economy has suffered during the reform years no less than the economies of the other CIS countries. Nonetheless, for almost two years it has borne the problems of ensuring the money supply in all the states that have not left the ruble zone. Although, to be fair, it should be noted that such a zone never actually existed and that the ruble's value differed in each specific region. This is why the introduction of national currencies is an objective necessity both as an attribute of statehood and as the basis for an independent economy.

In introducing its national currency, Turkmenistan is strengthening its own sovereignty but is by no means aiming to sever its traditional links to the Russian Federation and the other CIS states. It seeks to strengthen its own economy and make it more independent—not in order to break away once and for all (as certain people have intimated) but in order to cooperate more effectively with our partners at a new level of ability. Close partnership with the CIS countries—primarily Russia—is for Turkmenistan not a question of political maneuvering but a long-term strategy stemming from its historical tradition, cultural relationships, and the national interests of the Turkmen people.

This partnership is also creating the conditions for Turkmenistan to actively develop relations with neighboring states to which it also has historical and cultural ties. This should be seen not as a desire to create a new political geography but merely as a sincere desire on Turkmenistan's part to live up to its neutral status and to serve the strengthening of peace and stability in the region.

Having espoused the foreign-policy doctrine of positive neutrality, we have proceeded above all on the basis of the Turkmen people's national interests. To this end we have had to abandon ideological approaches in foreign relations along with many of the cliches that had existed in our international political assessments, and to focus all our attention on seeking ways to organize mutually advantageous economic cooperation. All this taken together has led to what journalists have dubbed the "Turkmenistan phenomenon."

Summing up these brief remarks on our attitude toward the CIS, its model, and its role today and tomorrow, I would like to stress the following.

The emergence and existence of new independent states on the territory of the former USSR is a fact that cannot be ignored or overlooked. Consequently, each of these states will be shaping its own policy on the basis of the sovereignty guaranteed to it under international law and on the basis of its own national interests. Therefore, in our view, relations within the CIS should be built on the basis of the utmost consideration for each state's positions, and should be consultative in nature rather than strictly coordinated.

The Commonwealth can in no way restrict the new states in implementing their independent foreign policy or domestic economic reforms. Integration of states within the CIS should proceed on the basis of mutual understanding, a voluntary approach, and the clear prospect of mutual benefit.

I would like to highlight one idea. After the treaty is signed in Moscow and the Economic Union is set up, it will be possible to take the next step in improving

interstate relations by setting up a mechanism for regular top-level consultations between the countries which were formerly part of the USSR. Consultations of this kind could be made a regular feature (annually, for instance) for the discussion of economic and humanitarian issues. The annual G-7 meetings or the mechanism of Rio-89 meetings could serve as a distant analogy. We want to invite the CIS heads of state and the heads of all states which were formerly part of the USSR to the first meeting here in Ashgabat this October.

The concept for the meeting should be very flexible—the agenda will not be set in advance and decisions will not be made. It is possible (but not compulsory) that only a final communique of the most general nature will be signed.

A mechanism for consultations among the states which were formerly part of the USSR would be a most important addition to strengthening cooperation within two narrower systems—the CIS and the group of ruble-zone states. The entire system of interstate relations on the territory of the former USSR would thus be logically complete.

Uzbekistan

Karimov Says Government 'Provoked' Into Leaving Ruble Zone

LD0309152393 Tashkent UZBEKISTAN APN in Russian 1400 GMT 3 Sep 93

[Text] Today (on 3 September) the 13th session of the Supreme Council of Uzbekistan came to an end. President Islam Karimov made concluding remarks at the session. Regarding the unsettled payments between the CIS countries which belong to the ruble zone, Islam Karimov said, in particular: "The monetary reform that has been carried out by the Russian Federation was a surprise. More than that, we are being provoked to leave the ruble zone." Understanding the difficulties that are connected with this, President Karimov urged the parliament to confer powers on the president and the government on introducing, if need be, the republican national currency. The parliament voted unanimously in favor of this.

Comments on Remaining in Ruble Zone

LD0709194693 Tashkent UZBEKISTAN APN in Russian 1216 GMT 7 Sep 93

[Text] [no dateline as received] Speaking at a news conference on the conclusion of the international banking conference in Tashkent, Uzbekistan President Islam Karimov said that the republic will remain in the ruble zone for now. However, this does not mean that Uzbekistan has rejected a transfer to its own money. Certain conditions are necessary for that and haste. [sentence as received] Uzbekistan intends to resort to tender for prospecting oil resources. Companies and firms from the United States, Britain, France, and Saudi Arabia have expressed the desire to take part in this.

Discusses Ruble Zone, Other Issues

LD0309214893

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1900 GMT on 3 September carries an 11-minute recorded interview with Uzbek President Islam Karimov by correspondent Sergey Medvedev in Moscow. The date of the interview is not given.

Medvedev asks Karimov to what extent Uzbekistan is politically independent. Karimov replies: "I believe that independence is only genuine when political guarantees are confirmed, above all, by economic factors." He continues: "Political independence is backed up by economic independence. In this respect, I think that economic independence comes above all else: the ability to live, work, and provide for oneself in a situation whereby the economy is serving those who live within this territory."

Medvedev then asks Karimov to comment on Uzbekistan's economic health. Karimov replies: "You must not demolish your old home before building a new one, which means that we are against what is called shock therapy. The figures show a drop of 9.6 percent in the republic's output in 1992 and a drop of 3.6 percent in the first half of 1993. We can say, however, that the rate of growth—not decline, but growth—in output came to 11.2 percent by July."

Medvedev asks Karimov which of Russia's mistakes he would prefer to avoid in Uzbekistan. Karimov replies: "On the whole, I agree with the strategy adopted by Russia to switch to a market economy, meaning rejection of the totalitarian command economy, which I would describe as the barrack-block socialist system of distribution that existed earlier. I think that the strategy is correct, but the tactics and methods of building a new economy were, in my view, poorly grounded. Most of all, this is true from the standpoint of attitudes in Russia because—above all else—Russia is no ordinary country but a great power.

"For us, the utmost principle is the primacy of economics over politics. It is the greatest of tragedies in certain countries that the economy is put on the back burner because of political infighting, and this should serve as an example to us.

"Second, the state itself should be a reformer. The state should set the priorities. The state should define the phases; the state should define what to us is the third principle, in that it should protect the most vulnerable members of society. In this respect, our third principle is a strong social policy.

"The fourth principle is that nobody should be above the law. It is bad to make declarations while laws are not being put into effect, as has happened so many times in Russia.

"Finally, we believe that the market economy should be phased in. Forcing the transition to the market is not an option because, as we have seen in several countries, it can lead to the concept of reform actually being discredited."

Medvedev notes recent comments by Kazakh President Nursultan Nazarbayev, that Kazakhstan is being pushed out of the ruble zone. He asks Karimov if he shares a similar view regarding Uzbekistan. Medvedev asks Karimov how long the old Soviet ruble bank notes will remain in circulation in Uzbekistan.

Karimov replies: "Above all, I would like to use this opportunity to say that Nursultan Nazarbayev and I think alike. In this case, being in the ruble zone is the best way to confirm that we share the same approaches, same goals, and same methods to achieve those goals. In this respect, I really cannot understand the policy being pursued by certain leaders and groups—I would say, authorities—who today...."

Medvedev interrupts and asks whether this means that Uzbekistan wants to drop the old rubles but is being forced not to.

Karimov says: "There is much more to it than that. I would like to explain one simple thing. To me, exit from the ruble zone is not simply losing whatever economic links that we currently maintain with Russia. Anyone who thinks that the ruble zone is a purely economic concept is very mistaken. To me, it is much more important than that. Among the people living in Uzbekistan are 2 million Russian speakers. These are people who see Russia as their true homeland, and it only takes us to bring in our own currency for them to feel, quite simply, that they are being cut off from their homeland. This is not to mention the thousands and thousands of problems that will crop up between our countries if we are shoved out of the ruble zone. It would of course be difficult for us, but we would get by.

"I would like to ask this: What will happen in five or 10 years' time? Will Russia return to the places that it is withdrawing from? Will Russia return, having lost this market, having lost the potential that it cannot fail to count on and value today? Will it return to this market and to this spiritual space—information zone if you like—this inter-nationality zone? Will Russia return again in 150 or 200 years' time to cultivate [osvaivat] these lands? Will it leave just like that, voluntarily? So I ask, does Russia not have interests in this region?"

Medvedev recalls that Karimov predicted exactly one year ago that Islamic fundamentalists would go on the offensive, and specifically along the Tajik-Afghan border. He asks Karimov how he views this conflict now and whether Russia and the other republics should pull out.

Karimov replies: "Not long ago, I was in Kazakhstan again, at the invitation of my friend Nursultan Nazarbayev. I stayed not only in Kazakhstan, but in the northern parts of the country and specifically in a fine region called Kochetav. That brought it home to me once again that Kazakhstan's northern border currently runs along 12 Russian oblasts. I gazed across this vast expanse of land, where it is impossible to simply draw a border. What meaning do borders have on that kind of land? So I want to impress on you above all else that Russia will not have a border along the Amu- Darya between Afghanistan and Tajikistan. Where should Russia's borders be? Will it turn out that Russia will quit, and we will move closer to those who would like—would like very much—to have these lands, which would be in their interests given the vast potential in Central Asia and Kazakhstan?"

Successes in Post-Independence Economic Reform Summed Up

PM0309124193 Moscow ROSSIYSKAYA GAZETA in Russian 1 Sep 93 First Edition p 7

[Article by Ruslan Lynev: "They Thought About It And Chose Their Own Path"]

[Excerpt] [passage omitted] Anyone who has visited Uzbekistan will inevitably have been amazed by the fact that decades of Soviet power have wrought virtually no changes in the way of life. It was not possible. The soviets remained the official authorities, while the community was the traditional people's power. In the new independent Uzbekistan both these powers are recognized. They collaborate.

I would say the majority of Uzbeks are perhaps more down-to-earth. And the economy here is straightforward.

In the first place, the minimum number of basic products is now being sold at firm and affordable prices, by coupon. Second, some of the kolkhoz land formerly occupied, as a rule, by cotton, has been distributed to the peasants so that the market can be filled with cheap products as quickly as possible and coupons can be gotten rid of. It should be said that the land was not given over to private ownership (that would have sparked off feuds and conflicts), but as land that can be used and inherited, but what has become private everywhere is housing. Old-age pensions are yet another measure—they are the highest in the CIS countries, and you will not see as many beggars as in Moscow.

"Is that the extent of the reform?" a Russian market radical asked us ironically.

Of course not. These are just the initial measures, which have eased social tensions and provided stability, without which progress is impossible.

As for the reforms, the republic has chosen a different strategy for them from the one chosen by Russia.

In Uzbekistan's President I. Karimov, elected by 86 percent of the voters, you have a combination of experienced production worker, economist, financial expert, and politician. The reform principles he proposes are as follows. The state will be the chief reformer in the transitional period. The new edifice has not been constructed yet, so there is no sense in demolishing the old one. This means gradual movement forward, toward a modern, mixed economy, and not a headlong rush.

As a result the republic's economy is holding up better than several neighboring economies. For instance, a tough financial policy made it possible to complete the first six months of the year with republic budget revenue exceeding expenditure by 15 percent. June saw the first increase in industrial output in two years—3.5 percent. This included a 6.6 percent increase in consumer goods production and 17.5 percent increase in oil production. At the current rate of production Uzbekistan will be self-sufficient in oil in two years.

While not wanting to close the "northern door," leading to Russia and the other CIS countries or to sever economic, cultural, and human links, Uzbekistan, having acquired independence two years ago, has also opened the doors to the west and south, to models that are historically, culturally, and, so to speak, geographically rather close to the Turkish, for example. At the same time, it is opening doors to its own past, to the legacy of the great thinkers and teachers of the East: Ulugbek, Avicenna, Farabi, Rumi, and Biruni. This introspection, as it were, is also an important prerequisite of a new ideology.

Stability and concord in society—actually universal human values—are the declared aims.

This policy has its own pace, its own stages and priorities, dictated by local conditions and experience. Not least the tragic experience of neighboring Tajikistan. To avoid a repetition of it, Uzbekistan has had to use moderately tough measures against part of the opposition. Better that than bloodshed—that is the view of a large part of the population, but it is condemned by part of the Russian press, which apparently knows precisely how the law should be observed and democracy built. [passage omitted]

Country Emerging as 'Force To Be Reckoned With'

PM0609090393 Moscow ROSSIYSKAYA GAZETA in Russian 1 Sep 93 First Edition p 7

[Vladimir Berezovskiy report: "Uzbekistan Becomes a Power"]

[Text] Tashkent—The celebrations to mark the second anniversary of Uzbekistan's independence began with the unveiling of a monument to Tamerlane in the center of Tashkent. The dread ruler of Samarkand kind of embodies the ambitions of the new power.

Tashkent, which was toeing the "Kremlin" line [khodivshiy v "kremlevskikh" shtanishkakh] only yesterday, has today confidently joined the world's strong men. This is quite logical, moreover. The country has a cohesive, deeply echeloned ruling elite, a well-developed industry, and strong agriculture; it is one of the top eight producers of gold, it is rich in uranium, gas, copper, and zinc, and the oil prospects are good. All this, combined with an army of 300,000 and political stability, has transformed Uzbekistan into the leading country in Central Asia and a force to be reckoned with in the Muslim world, the Nonaligned Movement, the CSCE, the United Nations, and other international financial and economic organizations.

President Islam Karimov and his team have shown that they do not shirk responsibility at the time of trial. That was the case in Osh in Kyrgyzstan, when Uzbeks fell prey to local nationalists' bullets and daggers. There was also a repetition in Tajikistan, where the avalanche of civil war was in many respects halted thanks to Uzbekistan.

It is symptomatic that official Tashkent has long since stopped ascribing "interim difficulties" to Russia alone, which is quite fashionable in other CIS capitals. Awareness of its own strength, and the seriousness of the incumbent regime's intentions as it shoulders the thankless burden of reform, are behind this. This also indicates the long-term prospects for cooperation with Russia, which accounts for 53 percent of Uzbek exports and two-thirds of its imports. In this context Tashkent is proving itself a reliable ally.

Uzbekistan is also making an obvious contribution to strengthening the Commonwealth. Islam Karimov was one of the men behind the conclusion of the Treaty on Collective Security.

Viktor Chernomyrdin's visit to Tashkent in April and the Uzbek leader's recent reception for Arkadiy Volskiy showed that Uzbekistan is patiently waiting for Russia to find its feet and complete the structural reorganization of its economy. That does not however mean that people here fully agree a priori with Moscow's policy and with the course of reform. Strained relations between the two countries in mutual settlements, shipments of raw materials and equipment, and migration affairs threaten to spoil the climate of trust and partnership.

Armenia

Karabakh Leader Says No Territorial Claims on Azerbaijan

LD0709195293 Moscow ITAR-TASS in English 1802 GMT 7 Sep 93

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan September 7 TASS—Karabakh has no territorial claims to Azerbaijan. Robert Kocharyan, chairman of the Karabakh Defence Committee, said on Tuesday [7 September]. All its military actions of retaliatory character were committed to secure its people, Kocharyan added.

He reiterated the readiness of the Karabakh leadership for a dialogue with Baku to discuss the ways to the conflict settlement, and first of all, those of cease fire and troops' pull out.

Kocharyan said that trying to contribute to peace process, the Karabakh leadership decided to withdraw its units from the town of Kubatly. The pull out has been completed, he said.

Karabakh forces have occupied about 20 per cent of Azeri territory.

'Allegations' About Territorial Aspirations Refuted

PM0809084193 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 2

[Sergey Bablumyan report: "Armenia Does Not Fight Outside Its Own Territory, the Republic President's Press Secretary Declares"]

[Text] Yerevan—The reports that have appeared recently on the situation on the external borders of Armenia and Nagorno-Karabakh are quite contradictory and, in the majority of cases, do not reflect the position of official Yerevan.

Commenting on the present situation at the request of IZVESTIYA's correspondent, Aram Abramyan, the Armenian president's press secretary, said:

"Not a single serviceman of the Armenian Army has participated or will participate in military operations outside the republic. Therefore the allegations that Armenia has seized or intends to seize the territory of any country are quite groundless. I believe that statements in a harsh tone, from whichever side they originate, and also saber rattling hardly contribute to the peaceful resolution of the conflicts in the region or, in particular, to the ending of the military confrontation between the Nagorno-Karabakh Republic and Azerbaijan or the development of a dialogue between them."

Threatening statements by certain contiguous countries and also troop movements on the border with Armenia have caused profound concern in the republic Ministry of Foreign Affairs and obliged it to issue a statement. In particular, it reaffirms its readiness to resolve the conflict in Nagorno-Karabakh by means of talks and to abide by the UN Security Council and CSCE documents adopted in this regard.

Azerbaijan-Nagorno-Karabakh Border Area 'Stable'

LD0709120693 Moscow ITAR-TASS in English 1130 GMT 7 Sep 93

[By ARMENPRESS-TASS]

[Text] Yerevan, September 7 TASS—The situation in the border area between Azerbaijan and Karabakh is stable. The ceasefire agreement is being implemented, according to the headquarter of the Nagorno-Karabakh Defence Army.

On Tuesday [7 September], Armenian Foreign Minister Arkadiy Gukasyan and vice-speaker of the Azeri parliament Afiyatdin Dzhalilov are expected to meet to discuss the organisation of a meeting between the top leaders of Nagorno-Karabakh and Azerbaijan.

Armenian President Levon Ter-Petrosyan expressed alarm in a telephone conversation with Turkish President Suleyman Demirel over the deployment of Turkish troops close to the Armenian border, which could hamper bilateral talks between Nagorno-Karabakh and Azerbaijan.

Border 'Relatively Peaceful'

NC0709163893 Yerevan Radio Yerevan in Azeri 1330 GMT 7 Sep 93

[Excerpts] Dear listeners we now present a report on the latest situation in the Nagorno-Karabakh Republic [NKR] and the border between Armenia and Azerbaijan.

The latest reports from Nagorno-Karabakh indicate that the situation on the border between the NKR and Azerbaijan is relatively peaceful. The sides are generally complying with the cease-fire agreement. We reported earlier that the agreement was violated by Azerbaijan from time to time. Fire was opened on Armenian defense positions. However, the incidents were obstructed through the efforts of representatives of the two sides. The cease fire agreement is very important. The relatively peaceful situation has created an opportunity for high-level talks. NKR Foreign Minister Papazyan and Dzhelilov, deputy speaker of Azerbaijan's National Assembly, will hold talks in Moscow today to extend the cease-fire agreement and prepare for the talks between the leaders of the two Republics. Hopefully, a positive result will be achieved.

Nevertheless, Azerbaijan's mass media organs have not abandoned their effort to distort the incidents in our region. Several media organs in the neighboring Republic have tried to obstruct the peace process that has been set in motion by claiming that Karabakh's

military units have violated the cease-fire agreement and set fire to towns in Azerbaijan. Similar reports have been refuted by the NKR Defense Headquarters and observers in Stepanakert several times. Our people have been exhausted by the confrontation. Continuation of the war will cause [word indistinct] and casualties on the two sides. [passage omitted]

We now report on the border situation over the past few days. To be fair, we wish to note that the number of clashes and exchanges of fire has decreased significantly. Nevertheless, various residential areas in Armenia have been fired on from Azerbaijan intermittently. In fact, Yeraskhavan and Sevakavan in Armenia's Araratskiy Rayon were fired on on 5 September. The incidents led to an exchange of fire. Chakaten in Tavushskiy Rayon was fired on from Azerbaijan's Tauzskiy Rayon last night.

Protest Lodged Over Shooting Incident on Turkish Border

NC0709142193 Yerevan ARMENPRES International Service in Armenian 1123 GMT 7 Sep 93

[Text] Yerevan, 7 Sep (ARMENPRES)—The 14th outpost of the Armavir [Oktemberyanskiy] Detachment of the Russian border guards—the detail defending Armenia's state border—was fired upon from the Turkish territory adjacent to Armenia at 1800 yesterday evening. This was confirmed by Major General Aleksandr Babenko, head of the "Armenia" unit of the Russian border guards, who also reported that a resolute protest has been made to the Turkish border commissar.

AZG paper reported today the unprovoked firing from Turkish territory on the 8th outpost of Artashat border guards detachment in Armenia on the night of 5 September. The paper quoted an INTERFAX report.

General Babenko also reported that earth engineering facilities are being erected and separate armored vehicles are appearing on the Turkish territory bordering Armenia, and the border guard posts and the border guard details there have been reinforced.

The Armenian leadership and the Russian Foreign Ministry have been informed about these developments.

Turkish Helicopters on Border

NC0809094593 Yerevan SNARK in English 0926 GMT 8 Sep 93

[Text] Yerevan, 7 September (SNARK)—In the course of the last days there were not any changes in the boundary protecting on the Armenian-Azerbaijani border, Alexander Babenko, the Russian border troops commander in Armenia said today to the SNARK reporter. According to his words, the situation on this border is more or less quiet.

Touching upon the information of the appearance of Turkish helicopters on the Armenian border, Alexander Babenko said that this information was specified and still there were no any confirmation.

Simultaneously it was informed today from the Armenian Defence Ministry, that calmness is kept also on the Armenian-Azerbaijani border. During the last days there were not any vital incidents there, the representative of the Armenian Defence Ministry press-center said.

Ter-Petrosyan Holds Phone Talks With Turkey's Demirel

MK0809075593 Moscow NEZAVISIMAYA GAZETA in Russian 8 Sep 93 p 1

[Armen Khababyan report under "Geopolitics" rubric: "Talks on Karabakh Start in Moscow. Turkey Wants To Cut the Knot of Regional Contradictions in One Fell Swoop"]

[Text] A phone conversation took place between Armenian President Levon Ter-Petrosyan and Turkish President Suleyman Demirel. The Armenian leader told his Turkish counterpart that the continuing concentration of Turkish troops along the border with Armenia can sharply aggravate the situation in the region and impede the Moscow meeting of representatives of Karabakh and Azeri authorities scheduled for 8 and 9 September, as well as informal consultations within the Minsk CSCE group. Although the leaders of both countries concluded that it is necessary to thoroughly assist the peace process that is getting under way, some facts suggest that Ankara does not rule out the possibility of a large-scale regional conflict. Thus, Turkish Prime Minister Tansu Chiller stated that if the Karabakh people continue their offensive in Azerbaijan, she would appeal to parliament to sanction the beginning of combat operations against Armenia. In addition, Chiller promised war on Armenia also in the event that Yerevan decides to intrude into the territory of the Nakhichevan republic.

Armenia has never either directly or indirectly provided cause for suspicion of encroaching upon the territory of the Nakhichevan republic, while Armenian-Nakhichevan relations when Geydar Aliyev was head of that republic were almost good-neighborly. Therefore it can be assumed that the real addressee of the Turkish threats is not so much Armenia as Iran. After all, Ankara began to flex its muscles precisely after Iranian military units demonstrated activity on the border with Nakhichevan and approached other Azeri border areas. Teheran explains this as a routine measure to beef up its own borders in whose vicinity hostilities are being waged, though Turkey has obviously sensed that Iran can directly affect the conflict to reinforce its shattered influence in the region.

Turkish and Iranian activity around Nakhichevan has coincided with a change of power in Azerbaijan and with Geydar Aliyev's active, openly pro-Russian orientation. With the help of the new Azeri leader Russia can now, without particular effort, block all attempts by secular Turkey and fundamentalist Iran to penetrate the

Northern Caucasus. Therefore all talk about the continuing Karabakh offensive and the need to punish Armenia for it is merely a pretext, especially given the fact that the latest Karabakh-Azeri cease-fire agreement is being observed by both conflicting parties while Stepanakert has also begun to pull out its detachments from Kubatlinskiy rayon in Azerbaijan.

The reason for the unprecedented belligerence on the part of Iran and Turkey lies elsewhere—having lost the ability to influence Baku, Ankara and Teheran would like to preserve their influence in Nakhichevan, which is separated from Azerbaijan by a strip of Armenian territory and therefore is autonomous not only de jure but also de facto. Here aspirants for the post of Azeri leader are traditionally cultivated. It is on the territory of Nakhichevan that Abulfaz Elchibey, who has refused to recognize the results of the referendum, continues to stay.

A serious conflict between traditional rivals—Turkey and Iran—could lead to wide-scale confrontation between pro-Western Turkish secularism and the Iranian variant of fundamentalism. This must be why Washington has also decided to strengthen its own position in the region by prodding Turkey and Israel to form an alliance. The latter has expressed the unprecedented wish to act as mediator in talks between Baku and Stepanakert.

The Karabakh conflict has long ceased to be a local expression of Armenian-Azeri contradictions. The knot that has been formed in the Transcaucasus is too complicated and intricate to be untied merely by the efforts of the parties directly involved in it. The rise of Turkish and Iranian military and diplomatic activity will result in a situation where Moscow not only will not stand aside but will actually be able to use a pretext to return its troops to Azerbaijan. This can happen as a result of the republic's accession to the CIS, which is already a subject of discussion, and with Aliyev's consent to the introduction of Russian troops to the conflict region under the cover of peacekeeping forces. Since the notion of "conflict zone" is fairly loose, however, this prospect so far remains unclear.

Vice Premier Defends Decision To Stay With Ruble

PM0809091993 Moscow ROSSIYSKAYA GAZETA in Russian 4 Sep 93 First Edition p 6

[Karen Topchyan report: "Armenia Prints Own Ruble"]

[Text] Yerevan—Armenian Vice Premier Vigen Chitechyan has held talks with his Russian colleagues on Armenia's switch to banknotes of the 1993 type. His three weeks of meetings and discussions with representatives of the Russian Federation government and Central Bank were quite fruitful. In Mr. Chitechyan's words, Armenia's presence in the ruble zone is acceptable to Russia. But this will be possible only if republics wishing to remain in it along with Russia sign an agreement on monetary union with Moscow. The preliminary conditions advanced by Moscow proved to be quite tough: a single tax, credit, and customs policy. The vice premier does not believe that monitoring by Moscow of Armenia's fulfillment of the commitments adopted will be political in character.

But representatives of opposition parties are already citing the results of the talks in the Russian capital as "the first step toward Moscow's future colonization of Armenia."

Nevertheless, the vice premier believes that Armenia has no other solution today. "We have the time to find the correct solution, to find the way out of the situation with minimal losses," Mr. Chitechyan stated. "Russia's stance is entirely understandable: It seeks to create conditions for a civilized financial policy, and we are in principle disposed to accept the conditions advanced by the Russian Federation. However, both draft agreements prepared by us in Moscow will still be thoroughly discussed in the republic, especially since there are so far no mechanisms for implementing them."

Another result of the trip was agreement for the Central Bank of the Russian Federation to issue a sizeable sum in 1961-1992 type banknotes to facilitate the canceling of Armenia's priority debts (paying wages, pensions, grants, and so forth to the population), and also a decision to produce temporary Armenian denominations in Moscow. Armenian rubles are already being printed.

Many experts in Yerevan believe that this forced measure is one effective way today of defending the republic against ruble expansionism. Government representatives state that there can only be any question of going over to temporary money in the event that the other republics in the ruble zone—Kazakhstan, Uzbekistan, Tajikistan, and Belarus—introduce their own currencies. In the opinion of the extremely well-informed newspaper VREMYA, "this expeditious approach to the printing of Armenian rubles means that within the next few weeks we can expect Armenian citizens to be able to hold bank notes which, although temporary, are nevertheless their own."

Azerbaijan

1,640 Turkish Military Personnel Dismissed

NC0709210393 Istanbul AYDINLIK in Turkish 5 Sep 93 p 11

[Text] Istanbul—On the instructions of Geydar Aliyev, who assumed presidential powers in Azerbaijan yesterday, the duties of the 1,640 Turkish military experts and volunteers serving in the country were terminated. This operation was put into effect with Aliyev's appointment of Safar Abiyev as chief of the General Staff. At the orders of the chief of the General Staff, the Turkish experts who had come to the region and were occupying critical positions in the Azerbaijani Government were let go.

It was indicated that to prevent further strains in relations with Turkey, rather than expelling them the Azerbaijani Administration is waiting for the Turkish military experts to leave the country of their own volition.

During the time of deposed President Abulfaz Elchibey, alongside the active and retired officers appointed by the Turkish General Staff, more than 200 MHP [Nationalist Action Party] militants were appointed to Azerbaijan as military experts.

The MHP members who went to Azerbaijan were given the duty of conducting "psychological warfare."

Failure to organize a regular army was given as the reason for removing the Turkish military experts from their posts. It was indicated that the war strategy drawn up by the Turkish experts was ineffective against the attacks of the Armenian forces.

The Turkish "Agents"

There was an enormous popular reaction to the close ties established with the international mafia by the Turkish experts serving in Azerbaijan. It is being reported that the people are calling the Turkish personnel "agents." Most of the Turkish experts supported Elchibey. It was established that they played an important role in the narcotics smuggling from Afghanistan, Pakistan, and the Far East to Europe.

The MHP and the Turkish counterguerrillas also undertook to smuggle uranium from Kazakhstan. AYDINLIK had already revealed that Asil Nadir was called upon to coordinate this cooperation and market the uranium. It is being reported that Interpol has placed Turkish firms in Baku and Azerbaijan under close watch.

AYDINLIK had also reported that retired Lieutenant Colonel Korkut Eken, a member at the Special Warfare Department and the key man in the organization of Hizballah in Turkey, was active in Azerbaijan.

The Turkish officers in Azerbaijan are still providing intelligence to Ankara. Recently, the report on a 4.5 km Iranian incursion into Azerbaijan at the town of Hoy [as published] came through these channels.

Political Background to Yeltsin-Aliyev Talks Eyed

PM0709151193 Moscow IZVESTIYA in Russian 7 Sep 93 First Edition p 2

[Sokhbet Mamedov report: "Key to Azerbaijan's Problems Lies in Moscow"]

[Text] Baku—People in Azerbaijan have long expected G. Aliyev to pay his first visit as head of state to Russia. You might have guessed that from the very start of Aliyev's return to big-league politics when he unequivocally remarked that "he is unhappy with the current level of Azerbaijani-Russian relations."

The development of events in the region persuaded the republic's public that the key to Azerbaijan's most acute problems does not lie in the West or the South, but in Moscow. The latest shift of Azerbaijan's foreign-policy course was difficult, but it proved within the power of that experienced politician, G. Aliyev.

On the eve of his trip to Moscow he reduced to a minimum all the obstacles that could to some degree or another affect the development of relations between the two neighboring states. Among these steps one may rank the decision adopted by Azerbaijan's parliament, which accommodated the requests made by President Yeltsin and the parliament of the northern state and decided to hand over to Russian justice six servicemen, five of whom had been sentenced to the supreme penalty. The National Assembly did at the same time give G. Aliyev authority to take part in the coming meeting of Commonwealth leaders.

Observers in Azerbaijan believe that, along with these issues, the main topic discussed at the meetings in Moscow will be the Azerbaijani-Armenian war and the Armenian Armed Forces' occupation of almost 20 percent of Azerbaijan's territory. The return of the captured areas and the cessation of military operations are perhaps the main task, whose resolution may be a catalyst for developing and deepening relations between Azerbaijan and Russia and normalizing the situation in the region as a whole.

"If the war in Karabakh is directly dependent on Azerbaijan's joining the CIS, let us discuss this matter," Tofik Kosumov, the republic's foreign minister and an Azerbaijan People's Front leader, said recently.

The emergent Azerbaijani-Russian rapprochement has however aroused particular concern in the U.S. and Iranian Embassies. The head of the U.S. diplomatic mission in Azerbaijan indicated recently at a meeting with G. Aliyev that his government has been put on its guard by the fact that official Baku is having greater contact with Russia in resolving the Karabakh conflict. Counterbalancing the United States, Iran is trying to strengthen its positions in Azerbaijan both by offering it diplomatic support in this conflict and also by increasing its humanitarian aid to the hundreds of thousands of Azerbaijani refugees that have streamed to Iran's borders.

Last Sunday on his return from Tehran A. Nehavandian, Iran's ambassador extraordinary and plenipotentiary to Baku, said that his government has decided to organize an encampment for hundreds of thousands of refugees and provide the unfortunates with everything they need.

Armenian Troops Shelling, Break Cease-Fire Agreement

LD0709144293 Moscow ITAR-TASS in English 1351 GMT 7 Sep 93

[By ITAR-TASS correspondent Sevinj Abdullayeva]

[Text] Baku September 7 TASS—Despite the ceasefire agreement, Armenian troops shelled residential areas in the Azeri Zangelan district on Tuesday morning. According to the Azeri Defence Ministry, the shells were fired from the territory of the adjacent Armenian Kafan district and from the partly occupied Azeri Kubatli district.

Bombing was particularly intense at the Shayifliy station located at a road leading to the district centre, according to the same source. Numerous victims among civilians have been reported.

The situation in other places of the Armenian-Azeri conflict is relatively quiet.

Defense Ministry on Zangelanskiy Situation

NC0809105593 Baku ASSA-IRADA in English 1029 GMT 8 Sep 93

[Text] Baku, 08.09.93 (ASSA-IRADA)—Situation in Zangelan district is aggravated again after intensified artillery training Armenian detachments attempted to attack populating area Muganly of the Zangelanskiy district from the Hanlik village of Kubatly district, ASSA-IRADA was told in the defence ministry. The attack was repulsed. The attackers lost a tank. Military helicopters of Armenian Air Force have repeatedly violated air space of Azerbaijan in the Zangelanskiy district. The other parts of the front are relatively calm.

Foreign Ministry Responds to Karabakh UN Appeal

NC0709145893 Baku Radio Baku Network in Azeri 0400 GMT 7 Sep 93

["Text" of statement issued by the Foreign Ministry; date not given—read by announcer]

[Text] It has been ascertained that a certain Karen Baburyan, who calls himself the head of the pseudo Daghlyk Karabakh Republic, conveyed a letter to UN Secretary General Butrus Butrus-Ghali on 31 August requesting the dispatch of a special UN representative to Daghlyk Karabakh. According to Baburyan, the presence of a UN representative would obstruct prejudice and lack of objectivity in assessing the incidents in the region. Considering Baburyan's letter, the Azerbaijani Foreign Ministry wishes to state the following:

This is not the first time Armenia's officials and the leaders of the Armenian separatists in Daghlyk Karabakh have appealed to the highest circles and the world community to inform them on the realities concerning the objections of Daghlyk Karabakh's people, who are supposedly subjected to artillery shelling and rocket attacks every day and suffering from a blockade.

It is common knowledge that fabrications related to Daghlyk Karabakh's people make up one of the three cornerstones of the Armenian foreign propaganda activities.

The entire world is aware of the fact that the Armenian Armed Forces have captured and occupied Lachinskiy, Kelbadzharskiy, Agdamskiy, Fizulinskiy, Dzhebrailskiy, and Kubatlinskiy Rayons, which are outside Daghlyk Karabakh's border. This conflicts with the notion that Daghlyk Karabakh's people are being choked by a blockade. Daghlyk Karabakh's leaders have displayed prejudice and a lack of objectivity by purporting to agree to UN Security Council Resolutions 822 and 853. The two resolutions justifiably condemned the Armenian side for the occupation of territories in Azerbaijan, which is completely irrelevant to the security of Daghlyk Karabakh's people.

Regarding Baburyan's claims in his letter on the outcome of intensified combat operations, Azerbaijan has never put forward territorial claims, nor has it occupied anyone's territory. That being the case, it must be noted that the Armenian Armed Forces have placed nearly 20 percent of Azerbaijan's territory under their control.

Azerbaijan, which is a sovereign state, is using its legitimate right to safeguard its territory against Armenia's aggression. Regarding the intensification of combat operations, it is due to Armenia's direct aggression against Azerbaijan and its persistent refusal to admit that it has involved itself in the fighting. Armenia has explained its involvement in the war as a move to supply humanitarian aid to the Armenians in Daghlyk Karabakh.

Finally, the Foreign Ministry draws the UN Secretariat's attention to the fact that an appeal by the illegal leaders and organs of the pseudo Daghlyk Karabakh Republic to the UN organization and its leading organs is inadmissible. The UN Secretariat's attention is also drawn to the fact that Armenia's missions in foreign countries are being exploited for the distribution of such appeals and statements.

'Bewilderment' at UN 'Inactivity' on Armenia

LD0709231593 Moscow ITAR-TASS World Service in Russian 1759 GMT 7 Sep 93

[by ITAR-TASS correspondent BOris Sitnikov]

[Text] United Nations, 7 Sep—Azerbaijan "has expressed bewilderment" in connection with the inactivity of the UN Security Council regarding "Armenia's expanding aggression." This is stated in a letter from Gasan Gasanov, the permanent representative of Azerbaijan at the United Nations, which was circulated at the headquarters of the community of nations today as a document of the Security Council. It notes that Azerbaijan has already lost one- fifth of its territory.

"In connection with the ever-expanding aggression of the Republic of Armenia against the Republic of Azerbaijan, the fact that the Security Council is not taking any kind of effective measures to stop the seizure of new territories and settlements in Azerbaijan is evoking bewilderment," the representative stressed.

Reconsideration of CIS Membership 'Not Ruled Out'

PM0709134193 Moscow IZVESTIYA in Russian 2 Sep 93 First Edition p 2

[Report by Sokhbet Mamedov: "Is Azerbaijan Going to Join the CIS?"]

[Text] Baku—"The question of Azerbaijan's joining the CIS is not on the agenda, but every period has its own imperative, and it is not ruled out that we will discuss the issue again in the very near future."

These words, uttered by Azerbaijan state secretary Lala Gadzhiyeva at a press conference on the results of the referendum, essentially confirmed the rumors that fundamental changes are afoot in Azerbaijan's foreign policy course.

The situation in which the republic finds itself today is very serious. Rent by internal contradictions and a five-year war, Azerbaijan is hardly in a position to recover from the crisis alone. For that very reason it will be forced to knock at the CIS' door.

People's Front Leaders Released

NC0709154493 Baku TURAN in English 1443 GMT 7 Sep 93

[Text] Baku, September 7 (TURAN)—Last night Ibragim Ibragimov, the chairman of the Executive Committee of the PFA [Azerbaijani People's Front] and the Chairman of the Supreme Mejlis of the PFA Gulamguseyn Aliyev, arrested on Saturday September 4 were dismissed.

As reported, the arrest have been implemented in the building of Surakhani department of the PFA, where the meeting of Ibragimov and Aliyev with the PFA activists of this region were going on. The explanation of the commandant's office runs, that holding of the meeting contradicts the regime of the state of emergency, that functions at the territory of Azerbaijan.

It has to be pointed out, that I. Ibragimov is a member of Milli Mejlis and he has a deputy immunity. But in spite of this the police arrested him and kept imprisoned in the isolator of the preliminary arrest for two days.

The press-center of the PFA have not spread any statement in connection with the arrest of I. Ibragimov and G. Aliyev.

Georgia

Parliament Adopts New Cabinet of Ministers Structure

LD0709145893 Tbilisi IBERIA in Georgian 1415 GMT 7 Sep 93

[Text] Tbilisi, 7 Sep—An IBERIA correspondent reports that the Georgian parliament today adopted a new structure for the Cabinet of Ministers, proposed by head of state Eduard Shevardnadze. It will consist of 16 ministries, five committees, 18 departments, three inspection bodies, and four corporations and concerns.

The Prosecutor's Office, Control Chamber, Information and Intelligence Service, Statistical Committee and National Bank are now accountable to parliament.

Shevardnadze To Allocate Posts

LD0709201293 Moscow Radio Rossii Network in Russian 1900 GMT 7 Sep 93

[Excerpts] Events taking place in the Georgian Parliament remain at the center of attention of the republican public and mass media. Here is Nikolay Mamulashvili, correspondent of the IPRINDA agency.

[Mamulashvili] [passage omitted] On 7 September, at an extraordinary sitting of the Georgian Parliament, Eduard Shevardnadze, the head of state, announced his intention to use the additional powers given to him and to allocate the ministerial portfolios himself. Shevardnadze explained his decision by saying that, in the difficult situation pertaining today, stormy discussions among the members of parliament which may arise over the issue of the composition of the cabinet of ministers would be quite inappropriate.

Supreme Council Issues Decrees

LD0709204893 Tbilisi Radio Tbilisi Network in Georgian 1950 GMT 7 Sep 93

["Decrees" approved by the Supreme Council in Tbilisi on 7 September—read by announcer]

[Text] 1. A new structure of the Cabinet of Ministers of the Republic of Georgia is to be approved.

The structure of the Cabinet of Ministers of the Republic of Georgia approved on 19 November 1992 by the decree of the Georgian Supreme Council on the Cabinet of Ministers of the Republic of Georgia—the bill and the structure of the Cabinet of Ministers—is to be considered null and void.

The juridical commission of the Georgian Supreme Council is to work out suggestions on making relevant amendments to the bill on the Cabinet of Ministers of the Republic of Georgia.

2. The Georgian Supreme Council decrees: to allow the head of the Georgian state to appoint Teimuraz Gogoladze as ambassador extraordinary and plenipotentiary of the Republic of Georgia to the Republic of Kazakhstan.

[Signed] Vakhtang Goguadze, speaker of the Georgian Supreme Council

Shevardnadze's Trip to Western Georgia Eyed

LD0309121293 Moscow Radio Rossii Network in Russian 0800 GMT 3 Sep 93

[Text] The difficult situation in western Georgia still remains a focus of public and media attention. IPRINDA correspondent Nikolay Mamulashvili reports by telephone from Tbilisi.

[Mamulashvili] As is known, in view of the latest events in western Georgia and, specifically, in Mingrelia, Eduard Shevardnadze, the head of the Georgian state, spent 2 September in the region. The purpose of the trip was to make a firsthand study of the state of affairs on the spot, I was told this morning by (Rezo Egadze), the head of state's press secretary, who accompanied Shevardnadze on the trip.

He also said that in the town of Kobuleti, the head of state had a lengthy conversation with Aslan Abashidze, leader of the Adzhar Autonomous Republic, who is known to have had talks recently with the supporters of Georgian ex-President Zviad Gamsakhurdia on the subject of a peaceful resolution of the extremely difficult situation in the region.

After that, now in the town of Samtredia, a town which borders directly on all the inhabited localities that have been taken over by armed Zviadists, Eduard Shevardnadze conducted a session of the Military Operational Staff, attended by the Georgian defense minister and leaders of the Interior Ministry, the republic's information and intelligence service, and an armed formation of Mkhedrioni [armed units of the Georgian Rescue Corps]. Unfortunately, the press secretary confined himself to just that information, and was unable to add anything else.

Meanwhile, the problems remain. According to Valerian Gogolashvili, head of the Georgian Interior Ministry Press Center, who returned to Tbilisi from Mingrelia on 3 September, 12 trains loaded with grain for Tbilisi, Armenia, and Azerbaijan are standing idle in the town of Poti, which is blockaded by armed supporters of the ex-president. Admittedly, Gogolashvili said, the Zviadists have given assurances that the trains are perfectly free to pass through the area under their control and will not be plundered. However, the head of the press center concluded, bitter experience forces us to treat their promises with greater circumspection and caution.

Tension Continues in West

NC0309144793 Yerevan SNARK in English 1054 GMT 3 Sep 93

[Text] Tbilisi, September 3 (SNARK)—Today SNARK was informed by Valerian Gogolashvili, the head of press-center of Georgian Ministry of Internal Affairs, that the tension is not ceasing in west Georgia. According to his words 4 trains with wheat, which is for Georgia, Armenia, Azerbaijan and train with humanitarian assistance and nutrition for Abkhazia are standing in Poti now. The freights delivering to Tbilisi and other cities of Georgia has been stopped. The passenger trains circulates with great delay. According to the same source in the night of September 3 the group of armed people attacked the joint post of police and government troops, located in west Georgia. One policeman was wounded and the criminals succeeded to hide. That is why there is no assurance that they were for Zviad Gamsakhurdia. The head of the press-center refute the Gamsakhurdia's confirmation that the "Mkhedrioni" formation stops the railroad movement. According to the reports of the press-service of the Georgian leader Eduard Shevardnadze has returned to Tbilisi from Kobuleti. He had negotiation with the Aslan Abashidze, head of Adjarian Parliament and with the operative staff on settlement of the situation in west Georgia, where Georgiy Karkarashvili, the defence minister, and Jaba Ioseliani, the head of "Mkhedrioni" were present. At the negotiations the possible ways of peace settlement of the conflict at the west of the Republic has been discussed.

Shevardnadze, Abashidze Meet

LD0309164993 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 3 Sep 93

[Text] Eduard Shevardnadze, chairman of the Georgian parliament and head of state, yesterday met in Kobuleti with Aslan Abashidze, chairman of the Ajarian Supreme Council. The conversation touched upon the situation in Georgia and Samegrelo [Mingrelia] in particular. After their talks, the two men granted an interview to journalists.

Eduard Shevardnadze remarked: The situation is most grave. We have to do our best to prevent a new conflict. After overcoming great difficulties we managed to settle a conflict in the Tskhinvali region. A hard decision was made in connection with Abkhazia in order to secure peace and Georgia's territorial integrity, but now we are facing yet another seat of tension. Roads have been blocked in Western Georgia, and this is harming our neighbors, Armenia and Azerbaijan, who use our ports and roads for their goods. Apart from that, the demurrage for keeping foreign ships idle will be enormous.

We can by no means permit bloodshed or fratricidal war. Civilians must say their weighty word.

There is only one road we can follow, a road of civil consent and national conciliation. Any other way will lead us to destruction.

The head of state said: I do not think there is an issue which cannot be dealt with, and in this connection we appreciate Aslan Abashidze's moves. It must be pointed out that our meeting and talk are being held in Ajara. Today, the autonomous republic shows what the whole of Georgia should be like.

Aslan Abashidze said: A threat of a new conflict has made the existing tense situation even more complicated. We are heading downwards. Armed conflicts have

never done any good to anyone. There is no example anywhere in the world to show the opposite. What have the Abkhazs and Georgians gained? Nothing but tragedy. Unfortunately, there are forces in Georgia for whom stability is not suitable. I became certain about this once again during my talks with Vakhtang Kobalia [commander of the armed forces supporting Zviad Gamsakhurdia].

Only peace talks can lead us out of the critical situation. I have already sent a representative to both sides, and they met this step with satisfaction. Journalists and people outside politics must be sent to Samegrelo, and then the community will become aware of what is in fact happening in the Samegrelo region. I would like to appeal to the whole population of Georgia. We can be saved only by unity, mutual respect, and love.

On the same day head of state Eduard Shevardnadze arrived in Samtredia. A meeting of the military-operational headquarters was held there. It was attended by Georgian Defense Minister Georgiy Karkarashvili, Interior Minister Teimuraz Khachishvili, Irakli Batiashvili, head of the information and intelligence service, Jaba Ioseliani, chief of the Rescue Corps Mkhedrioni, Kutaisi Mayor Temur Shashiashvili, Deputy Defense Minister Giorgi Vashakidze, Elguja Butskhrikidze, head of the Imereti regional department of the Interior Ministry, and regional administrator Nodar Meladze.

Shevardnadze Interviewed on Tour

LD0609094893 Tbilisi Radio Tbilisi Network in Georgian 0810 GMT 6 Sep 93

[Excerpts] [Announcer] We have already informed you that Eduard Shevardnadze, the head of state and chairman of the parliament, yesterday visited western Georgia; he returned to Tbilisi the same day. Earlier today our correspondent Nato Oniani interviewed our head of state:

[Begin recording] [Oniani] Mr. Shevardnadze, the situation is still complicated in Mingrelia. You visited various parts of western Georgia twice last week. You were in Kutaisi, Poti, and Batumi yesterday. You had meetings, held talks.

By the way, this morning, Russian television, or rather, Ostankino, said that the republic is suffering losses totalling 12 million rubles due to the events taking place in Mingrelia.

On Tuesday in parliament you said: Everything that could be done to reach actual results during seven or eight months has been done. This is the final point, and there is a disaster beyond it. Similar prospects for Tajikistan were also mentioned, and not only in your speech. Last week, Kobalia's units tried several times to incite a civil war. Kutaisi authorities call for conciliation again. Do you think we will be able to prevent a civil war?

[Shevardnadze] Your last phrase is the principal question: Will we be able to prevent a civil war? Unfortunately, there really exists such a threat. I have to say that this threat of a civil war is the most acute and real since my arrival, but I do not want to say that there is no way out. There is a way out. We all have to search for it using all possible means. First, one thing should be emphasized: We are the children of one nation, we are one nation, one state, and it is imperative that Georgians find a common language. [passage omitted]

I think a way out will be found and we will prevent a civil war if we can free ourselves from political vanity. This is a dreadful disease, like infection, like an epidemic which has been contracted by many politicians. Every other person claims that he is a politician. These ambitions could bring us to destruction. These ambitions could drag Georgia into a Georgian civil war.

You mentioned armed units. I have to say that it is possible to talk to these armed units. And it is possible to find a common language. The military came to an agreement on many interesting issues. But we have to keep in mind that they are executing someone's orders. These orders are initiated by politicians. Where are these politicians? Some are here, others are in other places.

When I mention political vanity, I mean only personal ambitions, personal interests, rather than Georgia's interests. Georgia's interests are only words. Words about the integrity of Georgia for many politicians are solely the means to pave the way to their personal career. I think we all must raise our voice against the prospects of Georgia being eaten up by vain politicians.

Besides, the primary thing I consider necessary for me and my colleagues is to carry on with this process of negotiations and the process of reconciliation more intensely. I think certain reserves can be found in this.

In addition, we have to think that some form of order should be restored. An integral Georgia is not only a space on the map. An integral Georgia is a reality with integral economy, integral politics, integral state structures, institutions, rights and means of controlling its borders, and so on. All these should be restored.

[Oniani] If this continues there will be no integral Georgia, even on the map.

[Shevardnadze] I have to say that there is a real threat of this kind. I am not the sort of a person who sees present and future developments in dark colors, but today we are facing events which may be forecasting great misfortunes.

In my previous conversations I said—and I want to emphasize now, too—that we will welcome any kind of mediation, any measure, whoever the initiator, I mean namely Mr. Aslan Abashidze or others, whoever they are and whatever part of Georgia they come from, even foreigners, although Georgians should not be in need of

this. We must be able to find a common language with one another and I want to believe that we will eventually come to this.

[Oniano] Mr. Shevardnadze, you have just mentioned Mr. Aslan Abashidze. Yesterday you visited Batumi [Abashidze's home town], but generally, not only from your yesterday's visit of course, you have actual information on what is happening there. There are various views about Batumi and Ajara as a whole in our society. For instance, some welcome the quiet situation there, and like it. Others say that this is all rather ostentation and something is behind it.

[Shevardnadze] I have to say that like all regions, Ajara also has many difficulties, but the population of Ajara, and primarily its leadership, have managed to retain peace and stability, and an Ajara factor of a stable region is very important for Georgia as a whole. I have to admit that this has become a stimulus for an overall trend for order, steadiness and peace in Georgia. [passage omitted on personal views about Ajara]

I know many facts, new and old, especially old ones, such as what is being done to send destructive forces to Ajara, to initiate a movement which would incite unrest there. There are concrete facts of this and, incidentally, they are connected with rather high-ranking people. [passage omitted: more on politicians using personal interests to reach political targets] I wish to thank the people of Ajara and their leader for retaining the peace and quiet, if I can say so, and the situation for normal work.

[Oniani] Can we return to the subject of Mingrelia? How is General Grachev's recent visit connected with events there? How can you explain Grachev's growing activity in dealing with issues of purely political nature? It is enough to note that in advance of his expected visit to Georgia to sign a treaty, President Yelsin sent Grachev. After meeting Yeltsin [as heard], Grachev also met Aliyev. We know about his scheduled visit to the United States [words indistinct].

[Shevardnadze] Grachev's visit to Georgia was in no way connected with events in Mingrelia. Neither was it connected with events in Abkhazia or any other region. It had broader objectives. The talks I held with the Russian defense minister dealt mainly with relations between Russia and Georgia. Among the issues discussed were, of course, the future of Russian troops in Georgia, terms of their stay, their status, conditions, the border between Georgia and Russia, and much more. There is nothing surprising in the fact that it was the defense minister who arrived to sort out these issues of common interest, which are directly connected with him and the ministry he leads.

But there is something else about it. You said that Mr. Grachev's role is rather active, and that he travels a lot. By the way, he left for Central Asia after the talks in Tbilisi. It is not surprising that he is holding meetings, because the problem of armed forces is one of the main issues, together with economic and political issues, throughout the territory of the former Soviet Union. You will probably know that changes and stability in the former republics are closely linked to processes taking place in the armed forces. Taking this into account, the defense minister's active role seems natural.

After talking with him, I was left with no doubt that his activity was not aimed at restoring old structures and the old totalitarian regime. I was left with the impression that he is a sincere man who speaks what he thinks. During our talks he conveyed his unequivocal position favoring democratic development in Russia. That is why Yeltsin's choice [for defense minister] must not have been accidental. And I must say that at a difficult time for Russia, the armed forces and their leader can play a key role.

[Oniani] There is hope that before the treaty with Russia is signed, the Cabinet of Ministers will have already been formed.

[Shevardnadze] Everything will depend on parliament. There are meetings today. There is a parliament sitting tomorrow. There is hope that government structure debates will produce some result and that a decision will be made.

[Oniani] It is natural that Georgia is interested in developments in Russia. On the one hand, there is a Russia with wich we need to have relations, the one involved in the peaceful settlement of conflicts, for example, in Abkhazia. On the other hand, there is another Russia which is pursuing a policy of confrontation toward the former Soviet republics, for example, toward Ukraine, putting President Kravchuk's future in jeopardy.

The Georgian press has reprinted an article from THE SUNDAY TIMES [not further specified] saying that, according to Georgian sources, Russian [word indistinct] are meeting opposition representatives. Two such meetings were attended by two Russian intelligence officers. The opposition is calling for demonstrations against you. The aim is to overthrow the government. It was said that special purpose groups were training armed units loyal to Gamsakhurdia, and that you had appealed to the United States to set up a security zone around Russia, which would protect the new republic's border for at least 10 years. This information comes from THE SUNDAY TIMES.

[Shevardnadze] I would not say that everything is true in this article. There may be something in it which is actually true, but when it comes to an alleged subversive role of the Russian embassy, and I mean the ambassador here, I do not think that it is true. As for certain forces in Russia, it is known that there are powerful political and other forces in Russia which are a threat to the Russian president, Russian democracy, the Russian state. Therefore, one should not be surprised that these forces are playing a certain subversive role in Georgia. However, I cannot speak about facts today.

In general, I must say that building a new state on the ruins of an empire is a very difficult task. [Words indistinct] let us consider what happened recently between Russia and Ukraine. There is a big compromise. There is a very big compromise which one may find unjustified, but I know the president of Ukraine well, and I do not think that he would recklessly jump at a decision like this. He became convinced that retaining relations between Russia and Ukraine is more important for protecting Ukraine's independence and freedom, and providing for its democratic development and salvation than an issue of local interest over which he compromised. It was a difficult step, a step which is difficult and hard to take, but there was probably only one alternative either to protect the main achievement, which is freedom and independence, or to make such a compromise at this stage. [Words indistinct] we should not be surprised by this and think that this is happening only because Russia wants it this way. Russia makes many compromises itself. It makes lots of compromises and will do so in the future, both inside and outside the country [passage indistinct].

[Oniani] At the parliament session you made a proposal to hold a referendum, as was done in Azerbaijan. [Words indistinct] recall yet another fact. When a protest action against the presence of Russian troops was held in Lithuania, the former leader of the country, Landsbergis, stood by the people. The people warmly welcomed him. There is no problem for Landsbergis—he he became a leader of the country after defeating Brazauskas, and then he was defeated by Brazauskas. He did not make any claims against Brazauskas. He stood with the people and he stood with Lithuania, this was the main thing. Do you believe that after so many explosions, terrorist acts, [words indistinct] such a thing is possible in Georgia?

[Shevardnadze] I dream of the time when Georgia will come closer to such culture. [passage omitted] Unfortunately, we are lagging far behind. There is an attitude in our country that a statute of a politician is hereditary. I do not mean only those forces whom everyone knows. I speak generally. One can hardly imagine that he leaves a post, quits politics and then lives a normal life. He believes he has to destroy something, has to think of new conspiracies, of new revolutions and decide who should quit and who should be appointed. It seems that we have to experience this. It is like a children's disease which must be experienced once. We are the people of high culture and of a high intellectual level, but we display ignorance and have difficulties in politics. [passage omitted]

I want to thank the best part of our itelligentsia, who, as you know, were the initiators, who said that they were ready to make this movement a basis for establishing a party. I respect them greatly. They are the most reputable people, the most deserving children of our country. And I am grateful to them for such a correct attitude to this new idea.

[Oniani] At Saturday's session of parliament Mr. Nodar Natadze [Popular Front of Georgia chairman] voiced an idea for new elections. In fact, the idea is not new. Mr. Natadze has mentioned it many times. Do you think new elections, I mean early elections, will be a desirable event or a forced one, provoked by necessity?

[Shevardnadze] It would be desirable if the elected parliament could work to the end of its constitutional term. I should point out Mr. Natadze is not voicing this issue for the first time and he is not alone. Others also say that the issue should be studied and we should think of elections. But whose elections? Only parliament, or something else? You know that presidential elections took place in the past, and then the parliament was elected. Adoption of a new constitution is also on the agenda. [passage omitted]

There will be a draft constitution, which will be approved by parliament, and then published. An all-nation referendum will be held and the constitution will be adopted by every citizen of the state. I think this is quite a reliable way, and it might not be delayed. A draft constitution is being worked on intensely. If the process is speeded up, the time when we hold elections will not be over the hills and far away. It can be speded up, and on this issue I, in a way, agree with Mr. Nodar Natadze and others [passage indistict].

[Oniani] Thank you very much. You have been listening to the chairman of the parliament and head of state, Mr. Eduard Shevardnadze. [end recording]

Fifth Round of Talks With Russia Continues

LD0709180693 Moscow ITAR-TASS World Service in Russian 1555 GMT 7 Sep 93

[By GIA correspondent for TASS]

[Text] Tbilisi, 7 Sep— The fifth round of Russian-Georgian talks, which started in Moscow during the visit to Russia by Eduard Shevardnadze, head of state and chairman of the Georgian Parliament, continued in Tbilisi on 7 September.

The members of the state delegations of the two countries, which are headed on the Russian side by special envoy Feliks Kovalev, and on the Georgian side by Mikhail Ukleb, first deputy minister of foreign affairs, have to complete the work on the big framework treaty on good-neighborlinesss and cooperation, which will become a legal basis for relations between the two countries.

It is expected that the treaty will be signed by Eduard Shevardnadze and Boris Yeltsin at the end of the month or early in October. Additionally, the definitive version of a package of military and economic agreements will be prepared, specifically, on the legal status of Russian troops in Georgia, on the terms on which Russian border guards operate here, and on trade and economic cooperation, as well as the definitive version of a number of

documents on transport, communications, science and culture, mutual assistance in emergency situations, a consular agreement, and so on.

A large group of military experts from the Russian Defense Ministry is expected to arrive in Tbilisi on 8 September. It is thought that the talks in Tbilisi will last for two weeks.

Gamsakhurdia Orders Stepping Up of Poti Blockade

LD0309140893 Moscow Mayak Radio Network in Russian 1300 GMT 3 Sep 93

[Excerpt] Zviad Gamsakhurdia, former president of Georgia, has ordered his supporters to step up the blockade of the town of Poti on the Black Sea and has declared his decision to return to Georgia soon. At present, Gamsakhurdia is in Groznyy, the capital of Chechnya. He wishes to return to western Georgia, where he has always been supported. [passage omitted]

Supporters Refuse Talks With Government

LD0609081593 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 6 Sep 93

[Text] Our correspondent was told at Interior Ministry headquarters in Samtredia this morning that the tense situation in the Samegrelo region had not changed. Roads are closed. The local population is in a quagmire. Economic hardship is aggravated by rising crime. The leadership of the armed forces loyal to the former president is refusing to negotiate.

200 Government Troops Join Gamsakhurdia's Forces

LD0709123393 Tbilisi CONTACT INFORMATION AGENCY in Russian 1515 GMT 6 Sep 93

[Text] [no dateline as received] The CONTACT INFORMATION AGENCY has learned that about 200 fighters from the Gali [rayon center in Abkhazia under Georgian jurisdiction] battalion have left their unit and defected to join illegal military units supporting the former president. The fighters said they were defecting in protest against the cease-fire agreement in Abkhazia, which they believe violates Georgia's territorial integrity.

Gamsakhurdia Supporters in Gali Offices

LD0709122693 Moscow ITAR-TASS World Service in Russian 1158 GMT 7 Sep 93

[By GIA correspondent—TASS]

[Text] Sukhumi, 7 Sep—During the night of 6-7 September, an armed detachment of approximately 200 supporters of former president Zviad Gamsakhurdia, entered Gali from Zugdidi and occupied the town's main administrative buildings.

This was reported by Shamil Tskhakaya, state adviser with the staff of the chairman of the Council of Ministers of Abkhazia.

Procurator Issues Statement

LD0709190593 Tbilisi First Program Television Network in Georgian 1600 GMT 7 Sep 93

[Statement by Tedo Ninidze, Georgian procurator general; place and date issued not given—read by announcer]

[Text] Since the authority of the Supreme Council of the Republic of Georgia came to an end and the population of the Republic of Georgia elected new executive bodies of the state authority, a certain group of former Supreme Council deputies [of former President Gamsakhurdia's government] has gathered from time to time both on the territory of the Republic of Georgia and outside its boundaries, making various decisions.

Earlier on, these meetings were aimed at creating an illusion among the population that the former authorities were still functioning fully. This group then ignored the elections of 12 October 1992 elections. Of late, however, the activities of this group have become obviously criminal.

According to the decision adopted at one of the meetings, the former executive authority has been proclaimed restored and has called for local authorities and law enforcement bodies to carry out its orders and demands.

I demand of every employee of the procurator's office to follow closely the current legislation and adhere to the demands of the 73d clause of the criminal code of the Republic of Georgia. Every employee of the procurator's office is to give a relevant legal assessment to antigovernmental activities as well as every attempt at infringing sovereign rights of the Republic of Georgia or breaching the territorial integrity of Georgia as a specifically serious crime against the state.

Based on the foregoing, I demand that the police and the bodies of the intelligence and information services take strict measures to unveil and eradicate such instances of breach of the law.

[Signed] Tedo Ninidze, procurator general of the Republic of Georgia and chief state justice adviser

Lanchkhuti Situation Worsens; Kobalia Forces Advance

LD0709170493 Tbilisi CONTACT INFORMATION AGENCY in Russian 1550 GMT 7 Sep 93

[Text] A CONTACT correspondent has learned that the situation is worsening in the Lanchkhutskiy rayon [in western Georgia].

Today, Loti Kobalia's illegal armed forces crossed the bridge over the Rioni river and stopped at one of the nearby villages. The forces consist of about 300 armed combatants and they possess seven units of military hardware.

In the meantime, the representatives of the local bodies are doing their best to maintain stability in the region. Bread is being baked there as before and tea-picking is in progress.

Estonia

Foreign Minister Begins Visit to PRC

WS0309114493 Tallinn ETA NEWS RELEASE in English 1809 GMT 2 Sep 93

[Text] Tallinn, September 2—Minister of Foreign Affairs Trivimi Velliste arrived in Peking on an official visit on Thursday [2 September]. He had talks with Wu Yi, the Minister of Foreign Economy and Economic Cooperation, and Qian Qichen, the Minister of Foreign Affairs of China.

During the meeting with Wu Yi an agreement on defence and fostering of investments was signed. Both parties expressed satisfaction with the economic cooperation between Estonia and China, stating though that there are a lot of problems, e.g. that of transport, to be dealt with.

Trivimi Velliste and Qian Qichen discussed the cooperation of the two countries in the UN, in the field of security and cultural exchange, also the problem of Russian troops in Estonia.

On Friday Trivimi Velliste will meet the minister of culture of China. An agreement on the cultural, educational and scientific cooperation between the two countries will be signed.

Velliste will arrive in Tallinn on Sunday.

Signs Agreement in Beijing

LD0309162993 Tallinn Radio Tallinn Network in Estonian 1900 GMT 2 Sep 93

[Text] Estonian Foreign Minister Trivimi Velliste and Wu Yi, the Chinese trade and economic cooperation minister, today signed an interstate agreement in Beijing to encourgae and protect investments. During a meeting with Qian Qichen, the Chinese foreign minister and the deputy prime minister, the Russian troop withdrawal from Estonia, cooperation within the United Nations Organization in the sphere of security, as well as cultural cooperation were discussed.

According to the Estonian Foreign Ministry, China demonstrates a keen interest in Estonia and its problems.

Notes 'Very Important' Pacts

WS0709112193 Tallinn ETA NEWS BULLETIN in English 0729 GMT 7 Sep 93

[From 7 September RAHVA HAAL, p 3]

[Text] Tuesday, September 7—Foreign Minister Trivimi Velliste returned from China on Sunday [5 September] and held a news conference at the Tallinn Airport. Agreements on investment protection and facilitation and on cultural, education and scientific cooperation were signed during the visit, he said. "Both agreements are very important since China is the largest country as to the population; it has made a considerable economic progress recently," Velliste stressed. He added that the investment protection agreement will add security to Chinese business in Estonia and expressed his hope that Estonian business may invest in China in the future. Business delegations aimed at founding a Chinese business centre in Tallinn, are to arrive in the near future, the Foreign Minister announced. Velliste added that the cultural cooperation agreement enables Estonian students to study Chinese. That may be useful in a couple of years when the Estonian Embassy in China will be opened, the minister stressed.

Security Around Depot With Russian Ammunition Tightened

WS0809113393 Tallinn BNS in English 1829 GMT 7 Sep 93

[Text] TALLINN, Sept 07, BNS—Russia still has about 4,000 tons of ammunition remaining in its depots in Astangu, just outside the residential district of Osmae in Tallinn.

That's down by almost a half of 7,500 tons there in March. But the Estonian Cabinet wants to tighten its security on what's remaining.

At present the Estonian Defense Union volunteer corps and the Russian navy have their guards at Astangu.

The Cabinet allocated 200,000 kroons to the Defense Union to guard the region. The Interior Ministry received orders to organize 24-hour patrols in nearby areas.

Defense Minister Juri Luik told reporters the government may even help the Russian navy evacuate the ammunition.

"Because the transportation involves increased risks, the (Estonian) railway company is charging additional money from the navy," said Luik.

Ambassador to U.S. Presents Credentials, Holds Talks

WS0609144293 Tallinn ETA NEWS BULLETIN in English 0757 GMT 6 Sep 93

[Text] Monday, September 6—Estonian Ambassador to the USA Toomas Hendrik Ilves presented his credentials to President Clinton Friday [3 September] evening. President Clinton and Ilves discussed the Russian troop withdrawal and the role of the US in the improvement of Estonian-Russian relations. According to the Foreign Ministry press service, Estonia was referred to as "one of the fastest developing states in Eastern Europe."

Delegation Established To Negotiate Trade With U.S.

WS0809112793 Tallinn ETA NEWS RELEASE in English 2019 GMT 7 Sep 93

[Text] Tallinn, September 7—Estonia's government at its session on Tuesday decided to set up a delegation for negotiations with the United States.

The delegation will negotiate with its U.S. counterpart agreements on trade, protection of intellectual property and investments, Prime Minister Mart Laar told a government briefing.

Danish Defense Official on 'Unofficial Visit'

WS0709112893 Tallinn ETA NEWS RELEASE in English 2021 GMT 6 Sep 93

[Text] Tallinn, September 6—Colonel Friis, Denmark's Defence Attache, arrived on an unofficial visit in Tallinn on Monday [6 September] to exchange information on the countries' defence policies and to discuss possible cooperation in this field.

Colonel Friis met Major General Aleksander Einseln, the head of the Estonian Defence Forces.

Prime Minister Views Baltic Situation

AU0709151593 Budapest MAGYAR NEMZET in Hungarian 4 Sep 93 p 4

[Interview with Prime Minister Mart Laar by Lajos Pietsch in Budapest; date not given: "According to the Estonian Prime Minister, Moscow Lacks the Political Will"]

[Text] MAGYAR NEMZET interviewed Mart Laar, who is in Budapest on the occasion of the European Democratic Union's [EDU] conference, on Estonian-Russian relations, Estonia's national minority policy, and Tallinn's efforts for European integration.

[Pietsch] Lithuania and Russia recently agreed on the withdrawal of Russian troops stationed in Lithuania. When do you think Estonia will make a similar agreement with Russia and what has prevented this up to now?

[Laar] If we start from the fact that the Russian government withdrew its last 2,300 soldiers from Lithuania in two days then the 6,000 troops staioned in Estonia could be withdrawn in as little as six days. However, only if the will to do this exists. Unfortunately, considering the Russian attitude, it seems to us that Moscow lacks the necessary political will. They withdrew the troops from Lithuania because Lithuania is not so important strategically for Russia. However, Estonia is a different case. It is perfectly clear that certain Russian political forces are not interested in troop withdrawals and in Russia losing its political and military control over the Baltics. The statements made by the Russian side in recent weeks testify that, alluding to certain historical interests, Moscow wants to keep its influence.

Estonia is interested in finding a constructive solution as soon as possible. The draft contract is ready and only one thing is missing, namely defining the deadline for the troop withdrawal. This depends on Moscow's political decision.

[Pietsch] In his speech at the EDU meeting, Prime Minister Jozsef Antall talked about the Baltics as a potential source of tension. What are your views on the region's current situation, and in the light of this, how does Estonia wish to develop its relations with the various international organizations, primarily the European Community and NATO?

[Laar] The first economic and free trade agreement between the Baltic states will be signed in Tallinn in the coming days and, at the same time, we will also sign a joint statement on starting negotiations on free trade with the EC. This month, a high-level EC delegation will visit the Baltic states to start preparations for the agreement. We hope to complete the agreement before the end of 1993. The Estonian economy is developing at such a speed that, in my view, it will be possible for us to fulfill the norms, which is a precondition of these kinds of agreements.

As for the region's situation, it largely depends on events in Russia. If we manage to solve our own problems and other countries, for example Russia, do not interfere, then there will not be tension in the region. I would like to remind people that the Baltics is the most peaceful area of the former Soviet Union at the moment. There is no war, no bloodshed, no conflicts, people are not fleeing, and this is the only area where we can witness economic progress. As for NATO, I can say that, although I consider full membership premature, we are determined to develop in this direction. On this basis, we support Hungary's efforts to become a full member of NATO as soon as possible. At the same time, we also hope that Hungary and other countries support our similar efforts.

[Pietsch] Do you think that NATO provides a kind of security umbrella for the Baltics?

[Laar] We hope that Russia will step on the road of democracy for good. If Russia indeed turns into a democratic country then we will not be threatened by any danger. A democratic country does not launch an attack against another democratic country. However, in the interest of our security and to avoid all possible conflicts, naturally, ties with NATO are extremely important for us.

UN Team Observing Russian Withdrawal Departs

WS0809112893 Tallinn ETA NEWS RELEASE in English 2019 GMT 7 Sep 93

[Text] Tallinn, September 7—UN mission that viewed the withdrawal of the Russian troops from the Baltic

states, left Estonia today. UN special envoy Tommy Koh told a news conference that "given good will and spirit of compromise", Estonia and Russia may come to an agreement in the very near future.

There are 4,000 remaining Russian troops in Estonia. The negotiators of the two countries have met 13 times already and on September 14 to 15 will hold their next meeting in Moscow.

Koh said that the timetable and deadline of the withdrawal of the Russian troops were "a political question". But the problem Russian side has with housing of a large number of returning troops cannot be underestimated either, he added.

As to the nuclear reactor, situated at Paldiski, Koh said he had been given different answers as to the deadline. Moscow promises it will be dismantled in two years, while the military authorities at Paldiski say it cannot be done before 1999.

Speaking of the situation of the Russian-speaking population in Estonia, Koh said Russia had accepted that it was not connected with the troop withdrawal.

The mission that had meetings with the Estonian President, Prime Minister, and leaders of Russian-speaking minority in Estonia, continues his talks in Moscow.

Disbandment of Army Unit Postponed, Activists Dismissed

WS0809113693 Tallinn BNS in English 1633 GMT 7 Sep 93

[Text] Tallinn, Sept 07, BNS—The Estonian Cabinet decided today to re-form the Laanemaa volunteer infantry company in the next two months.

The unit has remained in the focus of both public and official attention since it announced its secession from the Estonian armed force structure in late July.

Those members of the unit who signed the secession declaration will be dismissed from the country's armed forces, the Cabinet ruled.

Defense Minister Juri Luik said the government decided to continue its peaceful resolution of the conflict, postponing the disbanding of the unit for another two months. Volunteers who wish to continue their service in the Estonian defense forces must pass the application procedure with the General Staff. The Cabinet ordered the General Staff, the Defense Ministry and other institutions to "help in every way" the volunteers who wish to continue their military careers.

The Cabinet appointed Riho Uhtegi the new commander of the unit. Uhtegi assumes command within the week.

Today's decisions followed the Cabinet's discussion of a 20-page report presented by the government commission that investigated the incident.

Since the commission report was drawn up in great detail, the Cabinet requested the press to publish the whole text of the report and abstain from premature commentary.

The report blamed the controversy partly on the mismanagement of the General Staff—most of the volunteer company officers and noncommissioned officers had not taken the Estonian army oath. Shortcomings were also found in the contracts under which the troops were hired.

The Cabinet today ordered the General Staff to see to it that unit ends their business activity.

The commission also found that many conflicts had emerged from the illegal business activities of the military units, Defense Minister Juri Luik said.

In response to the rebel volunteers' accusations of misbehavior, brought against the General Staff, the Cabinet ordered the country's commander in chief to personally examine the qualifications of the officers in the General Staff.

But Luik asserted that no justification could be found for the action committed by the volunteer company. "Rebellion is rebellion. I hope that the situation is now being resolved," Luik said, adding that if any member of the volunteer company wanted to engage in politics, he should quit the army and join a political party.

Until the new commander assumes his office, the unit is formally headed by its acting commander Jaak Mosin, who faces criminal charges for the incident. Criminal proceedings have also been brought against Asso Kommer, the former commander of the unit. Both Kommer and Mosin have sworn the Estonian military's loyalty oath.

Defense Minister Luik said the government commission made its decision unanimously.

Only one member, Enn Tarto, footnoted his signature with a written clause that he keeps dissenting opinions on a number of issues and plans to reveal his position after thoroughly studying the text.

Latvia

President Ulmanis on Prospects for Baltic Unity

MK0409074193 Moscow NEZAVISIMAYA GAZETA in Russian 4 Sep 93 p 3

[Unattributed NEGA report under "Latvia" rubric]

[Text] Latvian President Guntis Ulmanis met with journalists in his new official residence. During the talk, citing his recent meeting with Algirdas Brazauskas and Lennart Meri, Guntis Ulmanis said that true unity among the Baltic states can only be reached if "each of the three countries concedes part of its national interests." The role of the Baltic Council should also change

and, according to G. Ulmanis, be transformed from an organization merely reacting to events after they happen into an organization directing these events. The political unity of Latvia, Lithuania, and Estonia should develop into successful economic unity, the Latvian president stressed.

The president cited the citizenship issue as the most important internal problem in Latvia at this time. In his opinion, the adoption of the citizenship law will become a test of maturity for the Saeima. Guntis Ulmanis intends to set up a National Forum which will include representatives of all ethnic minorities in Latvia with himself representing the Letts in this organization. The task of the forum is to find a generally acceptable solution for the pending citizenship law. G. Ulmanis admitted that when he was elected president, he knew what this law should be but today he has no definite opinion on the matter.

UN Envoy, Russian General Discuss Withdrawal

LD0409213993 Moscow ITAR-TASS World Service in Russian 1526 GMT 4 Sep 93

[By ITAR-TASS correspondent Galina Kuchina]

[Text] Riga, 4 Sep—Tommy Koh, head of a UN delegation which is finishing a tour of the Baltic states and Russia, ended a meeting with Russian soldiers in Riga today with the words: "Russia and Latvia need to forget the past and build new, neighborly relations. Both sides should show goodwill on a basis of mutual respect."

He noted that he has seen with his own eyes the conditions in which officers who have already left the Baltic states are now living. In his words, he feels sympathy for them.

Fedor Melnichuk, the first deputy commanding officer of the Northwest Group of Forces, outlined the problems linked to the withdrawal of units and, in his conclusion, stressed: "We would prefer not to be put in the position of having our backs to the wall here, and would prefer not to display our military professionalism in order to defend ourselves." The lieutenant general stressed the need for a civilized troop withdrawal. He acceded to the delegation's request to view two of the three strategic installations which Russia would like to leave temporarily on the territory of the republic. As is widely known, Latvia is categorically against this.

The UN mission studying the progress of the withdrawal of Russia's armed forces from the Baltic states has already talked to the president of Latvia, the foreign minister, and a delegation to negotiations with Russia.

The UN mission departs for Estonia tomorrow.

Envoy Meets Saeima Representative

LD0609010593 Riga Radio Riga Network in Latvian 1700 GMT 4 Sep 93

[Excerpt] [Announcer] Tommy Koh, special envoy for the UN secretary general, has decided to end his mission to Latvia with previously unplanned visits to the Russian Army facilities in Liepaja and Skrunda, which are allegedly of particular strategic importance to the Russian Army. He told a news conference today that he had made this decision to determine the importance of Russia's demand to keep three military facilities in Latvia even after the Russian troops are withdrawn from the Republic.

At the beginning of the tour Koh held talks in Moscow with Russia's highest leadership, which had supplemented the aforementioned demand with three conditions. First, Moscow would withdraw troops before the end of 1994. Second, in contradiction to Lithuania, the army withdrawal would be carried out only after the signing of a respective agreement. And third, the withdrawal would only go ahead if the rights of military personnel transferred to the reserve were observed.

Results of the visit of the UN fact-finding commission will be reflected in a special report to the UN secretary general. The document will then be considered at the annual session of the UN General Assembly.

After the UN delegation familiarizes itself with how the issue of the troop withdrawal from Estonia is tackled, it will again go to Moscow, where a final meeting with the Russian leadership is envisaged.

Ivars Silars, chairman of the Saeima [parliament] Commission on Defense and Internal Affairs, also spoke at the news conference.

[Begin Silars recording] The meeting with Russian generals has shocked me yet another time; I was forced to realize that the Russian generals have not yet realized that there is a difference between Latvia and Germany, and that Latvia can in no way be held responsible for what happened during World War II, when first Russia and then Germany occupied Latvian land. Their claims are such that they are reproaching Latvia for the fact that the army's withdrawal from Latvia is not proceeding in the same civilized manner as it is in the case of Germany. Therefore, I am very grateful to Professor Koh because he has pointed out to the Russian generals that the Russian Government is the first to answer for the withdrawal of the army.

One more instance of demagoguery is related to the troop withdrawal timetable. Beginning his address, Lieutenant General Melnichuk said that Russia had fulfilled all the troop withdrawal timetable, beginning from March 1992 to 15 August this year. Our side has not received a single timetable from Russia. Therefore, such statements are not correct, to put it mildly, because it is possible to speak about any timetable only when both sides have agreed on it, when it is known to both sides.

The Latvian side was also reproached for its alleged refusal to bring in soldiers to help dismantle equipment and withdraw explosives and munitions. [passage omitted] [end recording]

Russian Navy Commander Arrives in Riga

LD0709223293 Riga Radio Riga Network in Latvian 1700 GMT 7 Sep 93

[Text] Today Admiral Feliks Gromov, the commander of the Russian Navy, arrived in Riga to find out about the present situation concerning the withdrawal of the Russian Baltic Fleet from Latvia. Meeting the commander of the Russian Navy was Sea Captain Gaidis Zeibots, the commander of the Latvian Navy. They discussed the issue of the earliest possible withdrawal of the Baltic Fleet and the situation at sites handed over by the Baltic Fleet, and they examined the issue of giving back those ships belonging to Latvia which the Russian Navy seized in 1940.

The Russian Navy commander is also due to visit Liepaja to meet the leaders of the naval base of the Baltic Fleet there.

Russian Foreign Ministry Proposes Date for Talks

LD0609172593 Riga Radio Riga Network in Latvian 1700 GMT 6 Sep 93

[Text] The Latvian Foreign Ministry has received a note from the Russian Foreign Ministry offering to hold another round of bilateral talks from 28 to 30 September. The Latvian side has not yet discussed this offer or given a specific reply. Last week Russia offered to resume talks as soon as 14 September, but because representatives of the Latvian delegation are busy, this proposal was not accepted. The Latvian side, replying to that offer, made a proposal to hold talks on 17 and 18 September.

German Consultative Assistance Program Discussed

WS0709072393 Riga LETA in English 1136 GMT 6 Sep 93

[Text] Riga, September 6 (LETA)—The state delegation of the Republic of Germany headed by the State Secretary and Economical Adviser in Eastern Europe Walter Kitel visited Latvia. Within the visit the delegation held the talks with the Latvian prime minister and the ministers of economics, finance, farming, communication, education, science and culture.

Speaking on the purpose of the visit Walter Kitel noted for journalists the significance for Germany to establish contacts with the new Latvian government and to discuss consultative assistance currently needed. The Latvian government should be necessarily informed of the passed in Bonn laws tied with the assistance being provided to the central and eastern Europe countries. The German state secretary said federal economics and foreign ministries and personally Walter Kitel being coordinators of the consultative assistance represented by Germany.

During the visit the detailed programme of consultative assistance has been also discussed. The consultative assistance center is to be set up in the German Embassy. Besides the assistance will be given to encourage small- and medium-scale business development, training of the specialists and their qualification improvement, the development of banks' and insurance societies' activity, farming and branches. The work is foreseen to start on establishing of the bank for development which will carry out work on the use of the assets allocated for Latvia. The Agricultural Credit Bank is supposed to be established as well.

Birkavs Discusses Cooperation With Spanish Envoy

LD0709204793 Riga Radio Riga Network in Latvian 1300 GMT 7 Sep 93

[Text] Prime Minister Valdis Birkavs today met Antonio Serrano de Haro y Medialdea, Spanish ambassador to Latvia. The cooperation between both states so far and its future development were discussed. Valdis Birkavs concluded that the time has come to begin work on inter-state agreements on free trade and the protection of investment.

Lithuania

Butkevicius Favors Joining NATO

LD0309170793 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 3 Sep 93

[Text] National Defense Minister Audrius Butkevicius considers that Lithuania should strive to become a NATO member. He stated this yesterday in a television program dealing with a two-day international conference, "Future Security," that opened in Vilnius. His argument is that NATO is now the only effective mechanism capable of safeguardung security in Europe.

Kaliningrad Official on Free Economic Zone

WS0609081193 Vilnius RESPUBLIKA in Lithuanian 25 Aug 93 No. 163 p 8

[Interview with Vladimir Nikitin, newly elected deputy chairman of the Kaliningrad Oblast Soviet, by Sigitas Kuras, newspaper correspondent in Kaliningrad; place and date not given: "We Want To Be Rich"]

[Text] The session of the Kaliningrad Oblast Soviet has elected Vladimir Nikitin deputy chairman. V. Nikitin, a graduate of Moscow University, is an economist and does not belong to any party. He is married with two children. Compared to other government officials, V. Nikitin is exceptionally independent. He usually patterns his behavior on Moscow and opposes other leaders

of the oblast. RESPUBLIKA's correspondent Sigitas Kuras is talking to V. Nikitin.

[Kuras] What decided your election to this significant post? You are not a communist, are you?

[Nikitin] I am not an apparatchik, as the person holding this position is usually called. I have come from the Regional Research Institute, where I earned enough for bread. The staff entrusted me with the position of deputy director. My research was interesting, and I even tried to write books. But understand me correctly, please—no one reads books today. We must resolve the most urgent day-to-day problems.

[Kuras] Is this why you became an "apparatchik"?

[Nikitin] You must be kidding. I dare say that people from Yeltsin's setting are real apparatchiks. They call themselves democrats today, while they used to be.... You understand who they were. Life forced them to become turncoats. As for my election, I can say that I have opposed administration chief J. Matochkin for a long time. My nomination during the old, "quiet" Brezhnev days was out of the question. However, times are apt to change. One must both search and work today. Local deputies noticed my public statements a year and a half ago. I have some proposals that, I hope, can improve the work of the local authorities.

[Kuras] Are they special in any way?

[Nikitin] They are not special at all. I just say what I think. My views differ, as they did a year and a half ago, from the generally accepted concept of the development of a free economic zone. Let us recall that the free zone idea emerged as a reaction to the total collapse of the central and peripheral economies. This idea served as a basis for the attempts to escape the pressure of the central authority and to create a paradise in some definite territory. Life has proven, however, that such a model is ineffective under the current social circumstances. Moscow's loans are no paradise.

[Kuras] Is this why you wish to impose order in the oblast's economy and change the former project of a free economic zone?

[Nikitin] Yes. I propose my own economic option rather than order or ideas that are a basis for the current draft law on a free economic zone. I do not want to dwell on this draft law in greater detail. This could be the topic of our next meeting, if you wish. However, my key economic principles rest on three postulates: Abatements to all investors and not only to firms or enterprises with foreign capital. Lower taxes must be established only according to industries and production lines rather than to foreign capital investments in one or another industry. Finally, in assessing the eventual social and economic effect, it is necessary to take into account opinion polls and interests and demands of all inhabitants.

[Kuras] This is a slightly communist statement, and you were not a communist.

[Nikitin] To be more exact, I have never belonged to any party, including the CPSU. I am not a person who thinks that society's key political force is a party. In my opinion, social energy is better represented in the form of certain social movements.

[Kuras] Are you satisfied with the current relations between Kaliningrad Oblast and Lithuania? Are there any obstructions to business contacts?

[Nikitin] Relations are unsatisfactory. Concluded agreements are not always observed. Some documents are being amended, but this greatly impairs the further expansion of bilateral relations. The issue of duties on our transit through Lithuania has not been thoroughly considered, and there are many problems to be solved here. However, this depends on the agreement between Lithuania and Moscow. Certain political processes in Lithuania are also an obstacle to our good relations. Certainly, we are not pleased that Moscow forgets us often. The key thing, however, is that the oblast needs a status that would considerably contribute to the improvement of our ties.

[Kuras] What are your current economic priorities?

[Nikitin] They include the industry of recreation and resort, industrial construction, agriculture, and transport.

[Kuras] I have heard that Kaliningrad Oblast does not want to become overly rich.

[Nikitin] This is nonsense. We want to be rich. Rich people will find a common language much easier. We wish the same for Lithuania. I suppose that our key goal is not to create a paradise, but to seek at least Russia's current economic level.

[Kuras] What would you expect from Lithuania?

[Nikitin] Business is always good when there is mutual benefit. We are happy that such examples can be found in Kaliningrad Oblast. Lithuanian ecologists and builders successfully cooperate with us. However, there are also some negative tendencies, when Lithuanians export amber and other natural resources from the oblast. I would wish more initiative for Lithuania in the best sense of this word—not to rob the poor oblast as it is.

[Kuras] Thank you for the interview.

Belarusian Foreign Affairs Minister Continues Visit

WS0609113193 Vilnius ELTA NEWS BULLETIN in English 1228 GMT 3 Sep 93

[From ELTA "NEWS BULLETIN" No. 323]

[Text] Vilnius, Sept 2, ELTA—Byelorussian Foreign Affairs Minister Piotr Kravchenko spoke of a positive development of relations between the two countries, at

his meeting with Lithuania's President Brazauskas. Mr Kravchenko congratulated Lithuania on occasions of the Russian army pullout and of pending papal visit which is of great significance to Byelorussia since one-third of its residents are Catholics. Devotees from Byelorussia have been given favourable opportunity to take part in a number of events organised during the papal visit, according to the minister. Issues of Lithuanian and Russian border demarcation posed as key items on agenda of the meeting. Regulations on border crossing were also given an extensive consideration at the meeting. President Brazauskas drew the Byelorussia minister's attention to an impolite statement made by a Byelorussian representative at UN which had implied that the Grand Duke of Lithuania could be identified with Byelorussia's statehood. Mr Kravchenko made promises to read the statement and to decide whether the statement reflects Byelorussia's position. The Byelorussian minister was also received by premier Adolfas Slezevicius.

President Sends Letters of Gratitude to Officials

WS0609144693 Vilnius ELTA NEWS BULLETIN in English 1153 GMT 6 Sep 93

[From ELTA "NEWS BULLETIN" No. 325]

[Text] Vilnius, Sep 5, ELTA—President Brazauskas has sent letters of gratitude to US President Bill Clinton, French President Francois Mitterrand, the British Prime Minister John Major, German Chancellor Helmut Kohl, UN Secretary General Butrus-Butrus Ghali, Chairman of European Community Jacque Delors, Secretary of European Council General Assembly, Catherine Lalumiere, Chairman of Council for European Security and Cooperation, Margaret af Uglas. In the letters, the president expressed gratitude to the above mentioned politicians and to international organisations for support given to Lithuania in its demands to withdraw the Russian Army from its territory. The Lithuanian president also expressed hopes of speedy Russian pullout from Latvia and Estonia. Mr Brazauskas reiterated Lithuania's aspirations to get integrated into European Council as well as into other political, economic and security structures of Europe, and to maintain friendly relations with neighbour countries.

Slezevicius Wants Cooperation Talks With Chernomyrdin

LD0309163893 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 3 Sep 93

[Text] Lithuanian Prime Minister Adolfas Slezevicius is hoping to meet with the head of the Russian Government in the nearest future, after Viktor Chernomyrdin returns from the United States.

The Lithuanian prime minister stated that since the completion of the withdrawal of the Russian Army from the territory of Lithuania a new stage in mutual relations between the two states has actually started. Therefore, he considers, it would be beneficial to both countries if a long telephone dialogue is transformed into more concrete and resultative meetings and the conclusion of treaties.

First, according to Slezevicius, it is essential to start the implementation of agreements on the conclusion of a treaty on bilateral trade and economic relations that was reached several months ago.

Commenting on statements by Viktor Isakov, the head of the Russian state delegation for negotiations with Lithuania, published on Thursday [2 September] in the Lithuanian newspaper RESPUBLIKA on claims to compensation for military objects left in Lithuania and the participation of LIthuania in taking care of the USSR's foreign debts, Slezevicius expressed the opinion that all issues set forth by the partners in the negotiations must be discussed. However, according to him, the parties should primarily discuss the issue of compensation for the damage inflicted to Lithuania rather than the other way round, because in this dispute Lithuania represents the occupied state.